

FEDERAL FISCAL YEAR 2018
MONITORING REPORT
ON THE
NORTH CAROLINA DIVISION OF
SERVICES FOR THE BLIND
VOCATIONAL REHABILITATION
AND
SUPPORTED EMPLOYMENT PROGRAMS



U.S. Department of Education
Office of Special Education and
Rehabilitative Services
Rehabilitation Services Administration

February 3, 2020

TABLE OF CONTENTS

	Page
THE FEDERAL MANDATE AND SCOPE OF THE REVIEW	2
SECTION 2: FOCUS AREA – PERFORMANCE OF THE STATE VOCATIONAL REHABILITATION SERVICES PROGRAM	4
SECTION 3: FOCUS AREA –TRANSITION SERVICES, INCLUDING PRE-EMPLOYMENT TRANSITION SERVICES, FOR STUDENTS AND YOUTH WITH DISABILITIES	12
SECTION 4: FOCUS AREA – STATE SUPPORTED EMPLOYMENT SERVICES PROGRAM.....	17
SECTION 5: FOCUS AREA – ALLOCATION AND EXPENDITURE OF STATE VOCATIONAL REHABILITATION SERVICES AND STATE SUPPORTED EMPLOYMENT SERVICES PROGRAM FUNDS ..	20
SECTION 6: FOCUS AREA – JOINT WORKFORCE INNOVATION AND OPPORTUNITY ACT FINAL RULE IMPLEMENTATION	31
APPENDIX A: PROGRAM AND FISCAL PERFORMANCE DATA TABLES.....	34
APPENDIX B: DATA VERIFICATION RESULTS	83
APPENDIX C: SUPPORTED EMPLOYMENT PROGRAM PROFILE	84

SECTION 1: THE FEDERAL MANDATE AND SCOPE OF THE REVIEW

A. Background

Section 107 of the Rehabilitation Act of 1973 (Rehabilitation Act), as amended by Title IV of the Workforce Innovation and Opportunity Act (WIOA), requires the Commissioner of the Rehabilitation Services Administration (RSA) to conduct annual reviews and periodic on-site monitoring of programs authorized under Title I of the Rehabilitation Act to determine whether a vocational rehabilitation (VR) agency is complying substantially with the provisions of its State Plan under Section 101 of the Rehabilitation Act and with the evaluation standards and performance indicators established under Section 106 of the Rehabilitation Act subject to the performance accountability provisions described in Section 116(b) of WIOA. In addition, the Commissioner must assess the degree to which VR agencies are complying with the assurances made in the State Plan Supplement for Supported Employment Services under Title VI of the Rehabilitation Act.

Through its monitoring of the State Vocational Rehabilitation Services program (VR program) and the State Supported Employment Services program (Supported Employment program) administered by the North Carolina Division of Services for the Blind (NC DSB) in Federal fiscal year (FFY) 2018, RSA:

- Assessed the performance of the VR and the Supported Employment programs with respect to the achievement of quality employment outcomes for individuals with disabilities, including those with significant and most significant disabilities;
- Identified strategies and corrective actions to improve program and fiscal performance related to the following focus areas:
 - Performance of the VR Program;
 - Transition Services, including Pre-Employment Transition Services, for Students and Youth with Disabilities;
 - Supported Employment program;
 - Allocation and Expenditure of VR and Supported Employment Program Funds; and
 - Joint WIOA Final Rule Implementation.

In addition, RSA reviewed a sample of individual case service records to assess internal controls for the accuracy and validity of RSA-911 data, and provided technical assistance to the VR agency to enable it to enhance its performance.

The nature and scope of this review and the process by which RSA carried out its monitoring activities, including the conduct of an on-site visit from May 21 through 25, 2018, is described in detail in the [FFY 2018 Vocational Rehabilitation Program Monitoring and Technical Assistance Guide](#).

B. Review Team Participants

Members of the RSA review team included: RoseAnn Ashby, Caneshia McAllister, and Ilana Hirsh (Technical Assistance Unit); Sean Barrett (Fiscal Unit); Brian Miller, Shannon Moler, and David Wachter (Vocational Rehabilitation Unit); and Yann-Yann Shieh (Data Collection and Analysis Unit). Although not all team members participated in the on-site visit, each contributed to the gathering and analysis of information, along with the development of this report.

C. Acknowledgements

RSA wishes to express appreciation to the representatives of NC DSB for the cooperation and assistance extended throughout the monitoring process. RSA also appreciates the participation of others, such as the State Rehabilitation Council (SRC), the Client Assistance Program (CAP), advocates, and other stakeholders in the monitoring process.

SECTION 2: FOCUS AREA – PERFORMANCE OF THE STATE VOCATIONAL REHABILITATION SERVICES PROGRAM

A. Purpose

Through this focus area, RSA assessed the achievement of employment outcomes, including the quality of those outcomes, by individuals with disabilities served in the VR program by conducting an in-depth and integrated analysis of core VR program data and review of individual case service records. The analysis below, along with any accompanying observations, recommendations, or findings, is based on a review of the programmatic data contained in Tables 1 through 9 found in Appendix A of this report. The data used in the analysis are those collected and reported by VR agencies based on Policy Directive 14-01, which was implemented prior to changes in reporting requirements in Section 101(a)(10) of the Rehabilitation Act made by WIOA, as well as the establishment in Title I of WIOA of common reporting requirements and performance indicators for all core programs in the workforce development system, including the VR program.

B. Analysis of the Performance of the VR Program

The VR Process

Resources: Program Performance Data Table 1 Summary Statistics from RSA 113: FFYs 2015-2017; Program Performance Data Tables 2a, 2b, and 2c Agency Case Status Information, Exit Status, and Employment Outcomes—FFYs 2015–2017; and Program Performance Data Tables 3a, 3b, and 3c Source of Referral—FFYs 2015-2017

The VR Process: All Individuals

- The total number of applicants declined from 869 to 768 over the three years reviewed from FFYs 2015 through 2017.
- The total number of individuals determined eligible similarly declined from 784 to 655 over the same three years.
- The percentage of individuals who were determined eligible and received services increased from 84.4 percent to 88.7 percent from FFY 2015 to FFY 2017.
- Despite the increase in the percentage of individuals determined eligible who received services, the total number of individuals served decreased from 2,988 in FFY 2015, to 2,869 in FFY 2017.
- NC DSB was not on an order of selection during the period being reviewed and reported no plans to implement one.
- Referral source information included in Table 3a shows that self-referral is the largest reported category of referral at 37.7 percent, 43.0 percent, and 40.7 percent across the period reviewed, followed by medical provider at 33.1 percent, 27.4 percent, and 29.9 percent, respectively, from FFY 2015 through the first three quarters of FFY 2017; The

relatively high percentage of individuals referred by medical providers is similarly reflected in the types of services provided (see below).

The VR Process: Youth under Age 25

- Referral source information included in Table 3b shows that elementary and secondary school referrals accounted for the largest percentage of referrals with, 30.2 percent, 26.5 percent, and 32.5 percent for the period being reviewed, with self-referral the second largest category, at 28.6 percent in FFY 2015, increasing to 38.8 percent the following year, and declining to 22.5 percent in the first three quarters of FFY 2017.

Employment Outcomes

Resources: Program Performance Data Tables 2a, 2b, and 2c Case Status Information, Exit Status, and Employment Outcomes—FFYs 2015–2017

Employment Outcomes for All Individuals

- The number of individuals who exited the VR program with employment declined significantly from 497 in FFY 2015, to 255 in the first three quarters of FFY 2017.
- Conversely, the number of individuals who exited the VR program without employment increased from 167 in FFY 2015, to 397 in the first three quarters of FFY 2017.
- As a result, the employment rate for NC DSB decreased sharply from 74.9 percent in FFY 2015, to 39.1 percent in the first three quarters of FFY 2017.
- NC DSB attributed this dramatic decline in its employment rate to its effort to ensure that caseloads carried forward into PY 2017, when the new reporting requirements mandated by WIOA became applicable, included only individuals actively pursuing a vocational goal.
- Measures pertaining to quality of competitive integrated employment outcomes:
 - The average hourly earnings for individuals who achieved competitive integrated employment outcomes rose from \$11.18 in FFY 2015, to \$13.21 in the first three quarters of FFY 2017. The median wage rose less appreciably from \$9.50 in FFY 2015, to \$10.37 in the first three quarters of FFY 2017.
 - The average hours worked per week remained largely the same at 31.1 hours in FFY 2015, 30.5 in FFY 2016, and 30.6 in the first three quarters of FFY 2017, while the median was slightly higher at 33 hours a week in the first three quarters of FFY 2017.
 - The percentage of individuals who achieved competitive employment outcomes and received employer-provided medical insurance increased significantly from 12.2 percent in FFY 2015, to 21.7 percent in the first three quarters of FFY 2017.

Employment Outcomes for Youth under Age 25

- The number of youth under age 25 who exited the VR program with employment declined significantly from 31 in FFY 2015, to 13 in the first three quarters of FFY 2017.
- As with overall performance outcomes, the employment rate for youth under age 25 at exit dropped substantially from 77.5 percent in FFY 2015, to 48.2 percent in the first three quarters of FFY 2017, with the total number of youth exiting without employment

after receiving services rising from nine to 14 over the three years reviewed. NC DSB attributes this decline in the employment rate to an effort to ensure that caseloads accurately reflect those youth actively seeking employment.

- Measures pertaining to quality of competitive integrated employment outcomes achieved by youth under age 25 at exit:
 - The average hourly earnings for youth under age 25 who achieved competitive integrated employment outcomes rose significantly from \$10.08 in FFY 2015, to \$15.12 in the first three quarters of FFY 2017. The median wage for youth under age 25 rose less appreciably from \$8.63 in FFY 2015, to \$10.35 in the first three quarters of FFY 2017. The differential between the average and median wage earned indicates there was likely a wide disparity among wages earned by youth exiting the program.
 - The average hours worked by youth under age 25 per week rose from 31.0 hours in FFY 2015, to 35.8 hours in the first three quarters of FFY 2017, while the median fluctuated widely from 40 hours per week in FFY 2015, decreasing to 29 hours in FFY 2016, and increasing to 40 hours again in the first three quarters of FFY 2017.
 - Only 4 of 13 youth who exited the VR program under age 25 with competitive integrated employment earned enough to meet the Social Security Administration's criteria for substantial gainful activity.
 - The percentage of youth under age 25 who achieved competitive employment outcomes and received employer-provided medical insurance increased from 19 percent, or six youth, in FFY 2015, to 50 percent, or six youth, in the first three quarters of FFY 2017.
 - The very low number of youth exiting the VR program makes the data for many of these measures subject to substantial swings from year to year.

VR Services Provided

Resources: Program Performance Data Tables 7a, 7b, and 7c VR Services Provided—FFYs 2015–2017

VR Services: All Eligible Individuals Served

- NC DSB reported that by far the most frequently provided service apart from assessment was diagnosis and treatment of impairment, with 80.3, 78.8, and 75.3 percent of individuals receiving this service in FFYs 2015, 2016, and the first three quarters of 2017, respectively.
- By contrast, job search assistance was provided to only 4.0 percent of individuals exiting in the first three quarters of FFY 2017, while job placement was provided to 30.0 percent of individuals served in the first three quarters of FFY 2017.
- Postsecondary education training services were similarly provided to few individuals. Only 1.4 percent of individuals received graduate training, 3.8 percent bachelors level training, and 3.2 junior college training in the first three quarters of FFY 2017.
- Job readiness training was provided to only 4.8 percent of individuals exiting in the first three quarters of FFY 2017, although 12.6 percent received disability-related training in that same period.

- Relatively greater numbers of individuals received other services such as transportation, maintenance, and rehabilitation technology, with 22.1 percent, 16.6 percent, and 36.7 percent, respectively, receiving these services in the first three quarters of FFY 2017.

VR Services: Youth under Age 25 Served

- NC DSB reported providing much higher percentages of youth with postsecondary education training services than for the overall population of individuals served, as one might expect for this age cohort. The percentage of youth receiving bachelor education services jumped from 12.5 percent to 38.5 percent from FFY 2015 to FFY 2016, before dropping to 29.6 percent in the first three quarters of FFY 2017. Similarly, the percentage of youth receiving community college services jumped from 7.5 percent to 22.2 percent from FFY 2015 through the first three quarters of FFY 2017. No one was reported as receiving graduate level services in the first three quarters of FFY 2017.
- The percentage of youth receiving job readiness training services rose from 12.5 percent to 15.4 percent from FFY 2015 through FFY 2016, then decreased to 11.1 percent in the first three quarters of FFY 2017. Similarly, the percentage of youth receiving disability training rose from 17.5 percent to 23.1 percent, then decreased to 18.5 percent in the first three quarters of FFY 2017.
- Fewer youth under age 25 as compared to the overall population of individuals served received diagnostic and treatment of impairment services, with the percentage declining from 45.0 percent in FFY 2015, to 40.7 percent in the first three quarters of FFY 2017.
- The percentage of youth receiving career services, such as job search assistance, fluctuated widely from two percent in FFY 2015, to 23.1 percent in FFY 2016, and to 3.7 percent in the first three quarters of FFY 2017. Meanwhile, NC DSB provided job placement services to 32.5, 26.9, and 37.0 percent of youth in FFYs 2015, 2016, and the first three quarters of 2017, respectively.
- A much higher percentage of youth received other services compared to those served overall. Transportation was provided to 47.5 percent, 30.8 percent, and 33.3 percent of youth from FFYs 2015, 2016, and the first three quarters of 2017, respectively, and 32.5 percent, 30.8 percent, and 40.7 percent received maintenance over this same period. Two-thirds of youth received rehabilitation technology services over the period reviewed.
- It should be noted here again that with relatively few youth under age 25 served by this agency, a few individuals can swing the results of these measures significantly in a given year.

Compliance with the Statutory Time Frame for Application to Eligibility Determination

Resources: Tables 5a, 5b, and 5c Number of Days from Application to Eligibility Determination—FFYs 2015–2017

Eligibility Time Frames for All Individuals

- NC DSB's performance in the determination of eligibility within the required 60 days from the date of application improved from 90.4 percent in FFY 2015, to 92.9 percent in the first three quarters of FFY 2017.

- For youth under age 25, NC DSB's performance on this measure was more varied, with 82.0 percent of youth determined eligible within 60 days in FFY 2015, 97.1 percent meeting the standard in FFY 2016, and 90.9 percent meeting the standard in the first three quarters of FFY 2017. It should be noted that these percentages are based on small numbers of individuals – 41 in FFY 2015, 33 in FFY 2016, and 30 in FFY 2017.

Compliance with the Statutory Time Frame from Eligibility Determination to Individualized Plan for Employment (IPE) Development

Resources: Tables 6a, 6b, and 6c Number of Days from Eligibility Determination to IPE—FFYs 2015–2017

IPE Development Time Frame for All Individuals

- NC DSB's performance in meeting the 90-day requirement for the development of an IPE was over 97 percent in all three years reviewed.

IPE Development Time Frame for Youth under Age 25

- For youth under age 25 at exit, NC DSB's performance was 100.0 percent in all three years reviewed, but this represents very few individuals – three in FFY 2015, four in FFY 2016, and four in the first three quarters of FFY 2017. It is unclear why so few youth had an IPE developed; only about ten percent of youth exiting the VR program had an IPE. RSA's data looked only at youth determined eligible after the passage of WIOA. It is possible that some youth still in the VR program had been determined eligible prior to the passage of WIOA and before the agency had a 90-day standard or that some youth determined eligible had exited prior to IPE development.

Types of Occupational Outcomes for Individuals Who Achieved Employment

Resources: Tables 8a, 8b, and 8c Standard Occupational Classification (SOC) Codes Percentages of Employment Outcomes and Median Hourly Earnings for Individuals Who Achieved Competitive Employment Outcomes at Closure – FFYs 2015-2017

Occupational Outcomes for All Individuals

- Individuals with disabilities who exited the VR program achieved competitive employment outcomes in a wide variety of occupational areas. Only office and administrative support represented more than 10 percent of the outcomes achieved, with 14.1 percent, 15.5 percent, and 13.4 percent of individuals achieving this outcome in FFYs 2015, 2016, and the first three quarters of 2017, respectively. Food preparation occupations also accounted for ten percent of the outcomes across all three years reviewed, as did production occupations in FFY 2015 (although this classification dropped to 5.5 percent in the first three quarters of FFY 2017). No one achieved employment as a Randolph-Sheppard vendor in any of the years reviewed.

Occupational Outcomes for Youth under Age 25

- The occupations obtained by youth under age 25 who achieved employment outcomes were similar to occupations obtained by all individuals achieving employment, with the highest percentages achieving employment in food preparation, office and administrative support, and production occupations. The median wages earned by youth in various occupational categories for FFYs 2015, 2016, and the first three quarters of 2017 were often higher in many instances than for all individuals, but youth represented a very small number of individuals.
- It should be noted that NC DSB staff indicated that more youth were beginning to enter the health care occupations in recent years, and as a consequence, youth in these occupations were anticipated to receive higher salaries in future years.

Reasons for Exit for Individuals Who Did Not Achieve an Employment Outcome

Resources: Tables 9a, 9b, and 9c Reason for Exit for All Individuals Who Did Not Achieve an Employment Outcome at Closure – FFYs 2015-2017

Reasons for Exit for All Individuals

- The most commonly reported reason for exiting the VR program without an employment outcome was the generic category of, “all other reasons,” at 42.0 percent in FFY 2015, 37.5 percent in FFY 2016, and 54.3 percent in the first three quarters of FFY 2017. The next most frequently reported reason was “unable to locate or contact,” which declined from 29.4 percent in FFY 2015, to 21.3 percent in the first three quarters of FFY 2017. Another reason for exit cited rather frequently was not having a disabling condition, with 8.8 percent, 7.3 percent, and 5.5 percent in FFYs 2015, 2016, and the first three quarters of 2017, respectively.
- The high percentage of individuals reported under the “all other reasons” category indicates a lack of clarity on the part of VR counselors as to why individuals are exiting the program.

Reasons for Exit for Youth under Age 25

- For youth under age 25 at exit, the primary reported reason for exiting without employment was the catch-all, “all other reasons,” which rose from 43.8 percent in FFY 2015, to 63.0 percent in the first three quarters of FFY 2017.

C. Internal Controls

The RSA review team assessed performance accountability in relation to the internal control requirements in 2 C.F.R. § 200.303. Internal controls mean a process, implemented by a non-Federal entity, designed to provide reasonable assurances regarding the achievement of objectives in the effectiveness and efficiency of operations, reliability of reporting for internal and external use, and compliance with applicable laws and regulations. Internal controls are established and implemented as a measure of checks and balances to ensure proper expenditure of funds. Internal controls serve to safeguard assets and prevent fraud, waste, abuse, and

mismanagement. They include methods and procedures the grantee uses to manage the day-to-day operations of grant-supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved.

Policies and Procedures

In support of RSA's internal controls review, NC DSB submitted to the review team the following policies and procedures, and case record documents:

- 2017_6_30_Revision, BEAM Case Management System, Security and Controls;
- 2018_2_21 Approved Revised Change Management Control Procedures rv 2_21;
- BEAM Development and Management;
- DSB Competitive Integrated Employment Review policy;
- DSB VR Case File Order document;
- DSB's Process for 911 Submission;
- Homemaker Closure and Services;
- January 2018 ARS Report (data analysis document); and,
- Supported Employment Manual.

At the time of the review, NC DSB indicated that it had been seeking to develop and implement a new case management system for nearly four years. Although staff projected that a new system would be in place by FY 2020, there appeared to be uncertainty about whether the system would be fully implemented within this projected time frame. In the interim, agency staff reported that VR counselors use the agency's case management system to document the VR process, to record case notes, and to house the IPE. There are policies in place to guide counselors in how to document key aspects of the VR process, including eligibility determination, IPE development, job placement, wage verification, and case closure.

NC DSB indicated that it may request technical assistance and guidance as it seeks to replace its case management system and looks to incorporate all the data collection requirements under WIOA to ensure adequate internal controls and accuracy and completeness of reported data. NC DSB did not request guidance, training, or technical assistance on the type of source documentation needed to validate the data reported through the RSA-911.

Data Verification Review

During the on-site monitoring review with NC DSB, RSA conducted a review of 30 service records. These service records were comprised of case information for individuals who did and did not achieve competitive integrated employment by September 30, 2017, and were reviewed to verify and ensure that the documentation in the case service record was accurate, complete, and supported the data entered into the RSA-911 with respect to the following: date of application, date of eligibility determination, date of IPE, start date of employment in primary occupation, employment outcome at exit, weekly earnings at employment, type of exit, and date of exit. The results of that review are summarized in Appendix B.

NC DSB maintains supporting documentation in both paper and electronic formats although all of the case flow information, including case notes, is maintained in the electronic file. Agency

staff indicated that staff training had included a heavy emphasis on maintaining accurate and complete case documentation. The RSA review team did not encounter any significant issues with respect to the service records and found that supporting documentation was well maintained for the cases reviewed. The data verification review yielded no compliance findings or recommendations. Case files were largely well organized, and all files reviewed contained the supporting documentation identified in the case record review instrument. One case file did not contain documentation for the extension of the 60-day eligibility determination although an eligibility determination was made in 63 days.

D. Observations and Recommendations

RSA's review of the performance of NC DSB in this focus area did not result in the identification of observations or recommendations to improve performance.

E. Findings and Corrective Actions

RSA's review of the performance of NC DSB in this focus area did not result in the identification of findings or corrective actions to improve performance.

F. Technical Assistance

During the course of monitoring activities, RSA provided technical assistance to NC DSB as described below.

- RSA encouraged NC DSB to focus on the quality of employment outcomes and to expand its range and scope of VR services beyond the provision of diagnosis and treatment of impairments. The review team noted that services to youth are beginning to show an upswing in the percentage receiving postsecondary education and training and rehabilitation technology. Assessing the needs of older adults who are blind for these and other services might also improve the quality of employment outcomes achieved by this older cohort.
- RSA discussed with NC DSB the importance of strengthening its outreach efforts to ensure it is reaching the broader population of individuals who are blind or visually impaired, particularly strengthening its outreach to younger consumers of working age.
- RSA provided technical assistance about the importance of engaging individuals throughout the VR process. Some counselors indicated that consumers sometimes disappear and are hard to find. Without a concerted effort to keep consumers engaged, this trend likely will not be reversed.
- RSA provided technical assistance on the need to improve its performance with respect to supported employment outcomes.
- RSA provided technical assistance that, although it is reasonable for an individual with a disability pursuing postsecondary education to have an IPE that continues for a number of years, the agency should not have individuals receiving services for excessive periods (e.g., 20 years). Guidance and counseling should provide the individual with the confidence and skills needed to achieve an employment outcome in a reasonable period of time. The individual always has the option to return for services to upgrade skills so that another employment outcome can be pursued.

SECTION 3: FOCUS AREA –TRANSITION SERVICES, INCLUDING PRE-EMPLOYMENT TRANSITION SERVICES, FOR STUDENTS AND YOUTH WITH DISABILITIES

A. Purpose

The Rehabilitation Act, as amended by WIOA, places heightened emphasis on the provision of services, including pre-employment transition services under Section 113, to students and youth with disabilities to ensure they have meaningful opportunities to receive training and other VR services necessary to achieve employment outcomes in competitive integrated employment. Pre-employment transition services are designed to help students with disabilities to begin to identify career interests that will be explored further through additional VR services, such as transition services. Through this focus area RSA assessed the VR agency's performance and technical assistance needs related to the provision of VR services, including transition services to students and youth with disabilities and pre-employment transition services to students with disabilities; and the employment outcomes achieved by these individuals.

B. Service Delivery Overview

The VR agency must consider various requirements under the Rehabilitation Act and its implementing regulations in designing the delivery of VR services, including pre-employment transition services and transition services. For example, pre-employment transition services provided under Section 113 of the Rehabilitation Act and 34 C.F.R. § 361.48(a) are available only to students with disabilities. However, transition services provided for the benefit of a group of individuals under Section 103(b)(7) of the Rehabilitation Act and 34 C.F.R. § 361.49(a)(7) may be provided to both students and youth with disabilities. Youth with disabilities who are not students may receive transition-related services identified in an IPE under Section 103(a) of the Rehabilitation Act, but may not receive pre-employment transition services because these services are limited to students with disabilities. On the other hand, students with disabilities may receive pre-employment transition services with or without an IPE under Section 113 of the Rehabilitation Act, or may receive pre-employment transition services and/or transition services under an IPE in accordance with Section 103(a)(15) of the Rehabilitation Act. A discussion of NC DSB's service delivery system and implementation of VR services, including pre-employment transition services and transition services, follows.

Structure of Service Delivery

NC DSB has seven district offices and there are 115 school districts in North Carolina. NC DSB has developed 10 agreements with local school districts to provide both pre-employment transition services and transition services to students and youth with disabilities. NC DSB employs seven community employment specialists who work with local schools under one of the 10 agreements and develop opportunities with employers to provide work-based learning experiences for students with disabilities after school or during the summer.

NC DSB's 32 VR counselors can provide transition services, including pre-employment transition services, to students ages 14 to 22 in areas of the State not covered by one of these 10 agreements. In addition, seven pre-employment transition services associates conduct outreach and provide services to students with disabilities in areas of the State not covered by one of the 10 agreements. At the time of this review, not all seven positions were filled; because these are temporary positions, they are challenging to fill. These individuals must be able to collaborate with staff in the schools to develop services that are compatible with the students' schedules and work through the challenges inherent in providing services to minors where parental consent is required.

Outreach and Identification of Students and Youth

There has been a statewide effort to do extensive outreach to identify blind and visually impaired individuals of all ages, and all VR counselors participate in this effort. The seven pre-employment transition associates are also involved with this particular effort, specifically with the local schools under an agreement. Anyone who does outreach reports must submit the contact to one of five outreach coordinators in the State, who also happen to be the deaf-blind specialists, and a statewide report is then generated. Information from the report is recorded on an Excel spreadsheet on a monthly basis by the outreach coordinators to track the number of individuals under age 22 served and the type of activity. These reports include potentially eligible students with disabilities. Eligible individuals who receive pre-employment transition services are tracked through NC DSB's case management system on a quarterly basis.

Provision of Pre-Employment Transition Services

NC DSB's pre-employment transition service policies reflected the new requirements in Section 113 of the Rehabilitation Act and 34 C.F.R. § 361.48(a). NC DSB had received extensive assistance from the WINTAC in developing these policies. NC DSB reported that all five required pre-employment transition services are provided statewide by either VR counselors assigned to the schools or by pre-employment transition services associates. To provide job exploration services, job readiness services, and information on self-advocacy, staff use the Transition Tote materials available through the American Printing House for the Blind. These materials are provided to students in braille and large print and on CD, as appropriate. The lessons included provide students with the information needed to develop skills and offer a step-by-step approach geared to youth.

NC DSB also has developed the Summer Adapting to Blindness Vital to Visually Impaired Youth (SAVVY) program to provide pre-employment transition services to students with disabilities. The SAVVY program consists of the following three tracks:

- Youth in Transition (YIT);
- World of Work (WOW); and
- College Prep

SAVVY's WOW program provides work-based learning experiences to students in the summer, which are individualized for each student and tailored to the interests of the student. These

experiences have been developed in restaurants, retail settings, universities, a science museum, a radio station, etc. NC DSB reported that staff emphasize high expectations for students and youth. They emphasized STEM careers, where appropriate, sending students to the summer engineering program in South Carolina and the Space Camp in Alabama.

NC DSB reported attending individualized education program (IEP) meetings of blind students but was unsure about whether these activities could be counted toward the 15 percent pre-employment transition service reserve. The agency provided authorized services, mostly as training activities targeting both VR and education staff. NC DSB had worked with the WINTAC to develop a fiscal forecasting model. At the time of this review, NC DSB staff reported that they were making substantial progress toward expending the 15 percent reserve on pre-employment transition services.

Provision of Transition Services

NC DSB reported serving 460 youth under age 25 at exit. The agency has been increasingly emphasizing postsecondary education and training for youth, and the average length of time youth receive services under an IPE has increased. NC DSB staff reported understanding that the quality of employment outcomes will ultimately increase if youth receive more extensive education and training.

Further, programs such as the Savvy Youth in Transition (YIT) program provide transition services to groups of youth with disabilities who are not students. SAVVY program offerings explore vocational options, requirements for training, and what is involved in achieving various employment options. Students also learn to do presentations. Up to 30 students and youth participated in SAVVY during the period of review with up to six individuals participating in the college prep program, which helps students who are interested in attending college prepare for life after high school. SAVVY programming is reportedly offered at NC DSB's Career and Training Center in Raleigh, which was formerly called the Rehabilitation Center for the Blind.

State Educational Agency (SEA) Agreement

At the time of this review, an agreement had been developed between NC DSB, the Division of Vocational Rehabilitation Services (NC DVRS), and the Department of Public Instruction (DPI). The agreement contained all of the required provisions in 34 C.F.R. § 361.22 and 34 C.F.R.

§ 361.48(a). The SEA agreement was signed by the Superintendent of DPI and took effect on May 25, 2018, the day after the on-site review ended.

This SEA agreement did not include clear language on how to provide transition services or pre-employment transition services to districts not under a local agreement even though the previous SEA agreement did include such language. When the review team asked the agency about this discrepancy, NC DSB staff reported that it was too late to add the language at that point in the clearance process. RSA indicated that the agreement, although compliant, would have been strengthened by the addition of such language.

Lastly, when asked about Section 511 requirements that should be included in the agreement, agency staff indicated that NC DVRS provides services to individuals seeking employment under Section 511 throughout the State, and since the SEA agreement is a joint agreement between NC DSB, NC DVRS, and DPI, staff believed they had met this requirement. The SEA agreement states that DPI will provide consultation on the development and implementation of documentation processes used to carry out requirements under Section 511, but the agreement does not contain detail about the documentation processes.

IPE Development for Students and Youth with Disabilities

NC DSB staff develop an IPE for students and youth with disabilities within 90 days of eligibility determination. Potentially eligible students go on to become eligible VR consumers, and they have an IPE developed within the required timeframe. IPEs are developed prior to a student's exiting the school system and are coordinated with the IEP developed under the Individuals with Disabilities Education Act (IDEA), which is required to include transition services by age 16 or as early as age 14, if appropriate. In addition, an individualized transition plan (ITP) is developed for students at age 16; this plan is attached to the IEP. The ITP outlines the training and supports a student will need to live, work, and participate in the community once the student becomes an adult.

C. Observations and Recommendations

RSA's review of NC DSB's performance in this focus area did not result in the identification of observations and recommendations to improve performance.

D. Findings and Corrective Actions

RSA's review of the performance of NC DSB in this focus area did not result in the identification of findings and corrective actions to improve performance.

E. Technical Assistance

During the course of monitoring activities, RSA provided technical assistance to NC DSB as described below.

- RSA clarified that NC DSB could charge costs related to staff attendance at IEP meetings to the 15 percent pre-employment transition services reserve.
- RSA clarified that the provision of auxiliary aids and services is an allowable charge to the funds reserved for pre-employment transition service and gave examples of such auxiliary aids and services that can be provided to blind students using the reserved funds consistent with the email to VR agency directors from the RSA Commissioner on December 28, 2016.
- Even though NC DSB is not operating under an order of selection, RSA provided technical assistance to clarify two provisions that would be applicable should the agency ever adopt an order of selection. First, RSA clarified that pre-employment transition services must not be provided to a student on a waiting list if the student did not receive pre-employment transition services prior to assignment to a waiting list. RSA also

clarified that transition services similar to pre-employment transition services may be provided to groups of students with disabilities who have not receive pre-employment transition services prior to assignment to a waiting list.

- Despite NC DSB's assertion that its pre-employment transition services and transition services were available statewide, RSA provided technical assistance on ensuring that there is clear language in the SEA agreement on how services are provided to districts that do not have a local agreement between the VR agency and the LEA.
- Pre-employment transition services associates are paid 100% from the 15% reserve. RSA clarified that NC DSB needs to be mindful that any administrative costs associated with these staff should not be charged to the reserve.
- RSA clarified the difference between marketing materials and educational materials and explained that VR funds can be used for educational materials distributed at such events as transition fairs, whereas marketing materials cannot be paid for with VR funds or State funds used to match VR funds.
- RSA provided technical assistance on the fact that coordination activities, such as staff travel to IEP meetings, could be charged to the 15 percent reserve. The review team reiterated that coordination activities are critical to supporting the provision of pre-employment transition services required activities and that the agency can charge for these services concurrently.

SECTION 4: FOCUS AREA – STATE SUPPORTED EMPLOYMENT SERVICES PROGRAM

A. Purpose

WIOA made several significant changes to Title VI of the Rehabilitation Act that governs the Supported Employment program. The amendments to Title VI are consistent with those made throughout the Rehabilitation Act to maximize the potential of individuals with disabilities, especially those individuals with the most significant disabilities, to achieve competitive integrated employment and to expand services for youth with the most significant disabilities. Through this focus area RSA assessed the VR agency performance and technical assistance needs related to the provision of supported employment services to individuals with the most significant disabilities and extended services for youth with the most significant disabilities; and the employment outcomes achieved by these individuals.

B. Overview of Service Delivery and Performance of the Supported Employment Program

Delivery of Supported Employment Services

- Any NC DSB counselor may have a supported employment case. The agency does not have specialty counselors for individuals needing supported employment. NC DSB also shares supported employment cases with NC DVRS although counselors reported that it can be challenging to document these cases accurately.
- NC DSB indicated that all VR counselors received training on supported employment. This training emphasized the new requirements under the Rehabilitation Act, specifically the requirement that supported employment services begin once the individual is placed in employment and the proper procedures for closing a case of an individual receiving supported employment services.
- Just prior to the on-site visit, NC DSB had revised its supported employment policies. These policies did not reflect all of the new provisions in WIOA, including the increase of the maximum time frame for the provision of supported employment services from 18 to 24 months, or longer if necessary; the achievement of supported employment outcomes on a short-term basis; and customized employment. The review team discussed with the agency the need to have such policies in place even though currently it may not have individuals who need these services or whose outcomes satisfy these requirements.
- Supported employment services and extended services are provided by 14 community rehabilitation programs (CRPs) throughout the State. Through contracts/agreements between NC DSB and each of these CRPs, supported employment services are provided and extended services are paid for with State funds. In addition to these agreements, the CRP can arrange for extended services through other State agencies. Supported employment services are available throughout the State to anyone who needs them. The agency has worked extensively with these supported employment providers, whose experience has largely been with consumers of NC DVRS, to educate them about working with blind individuals who need supported employment.

- NC DSB uses the milestone model in its contracts with CRPs. Milestones include assessment/eligibility, IPE development, job placement (including interviews), stabilization on the job, and closure.
- NC DSB does not have third-party cooperative arrangements (TPCAs) for the provision of supported employment services.
- NC DSB has not expended any VR or supported employment funds for the provision of extended services to youth under age 25. However, it has provided extended services with State funds.
- NC DSB does not charge any administrative costs to the supported employment grant.

Performance of the Supported Employment Program

A summary analysis of the performance of the Supported Employment program (see Appendix D) revealed the following information:

- NC DSB reported 35 supported employment “cases,” i.e., individuals who had an IPE identifying the need for supported employment; as of the time of this review, 19 of these individuals were working and receiving supported employment services, and five more were receiving other services but were anticipated to begin working soon.
- RSA data show that 4 individuals achieved supported employment outcomes in FFY 2015, 5 in FFY 2016, and 5 in the first three quarters of FFY 2017. At the time of the review, NC DSB anticipated that the number of individuals in supported employment would likely increase.
- NC DSB reported that the median hourly earnings for individuals in supported employment was \$8.30 in the first three quarters of FFY 2017, with an average of 16.4 hours worked per week.
- In the first three quarters of FFY 2017, the five services most frequently provided to individuals in supported employment were: assessment (100.0 percent), job placement assistance (80.0 percent), on-the-job supports (supported employment) (80.0 percent), rehabilitation technology (80.0 percent), and maintenance (60.0 percent).
- The three occupations most frequently achieved by individuals with supported employment outcomes were: food preparation and serving (40.0 percent at \$7.67 an hour); office and administrative support occupations (40.0 percent at \$78.65 an hour); and sales and related occupations (20.0 percent at \$12.75 an hour).
- The average time individuals receive supported employment services from NC DSB is eight months.

C. Observations and Recommendations

RSA’s review of NC DSB’s performance in this focus area did not result in the identification of observations and recommendations to improve performance.

D. Findings and Corrective Actions

RSA’s review of NC DSB’s performance in this focus area did not result in the identification of compliance findings.

E. Technical Assistance

During the course of monitoring activities, RSA provided technical assistance to NC DSB as described below.

- RSA clarified that an individual may receive supported employment services for up to 24 months, or longer, if these services are required to assist the individual to achieve job stabilization.
- RSA provided technical assistance related to the definition of supported employment on a short-term basis (34 C.F.R. § 361.5(c)(53)(ii)(A) and (B) and § 363.1(c)(1) and (2)).
- RSA provided technical assistance on developing an IPE for an individual seeking supported employment even when the agency cannot readily identify the source of extended services at the time the IPE is being developed.
- RSA clarified that supported employment funds may only be used after placing an individual in competitive integrated employment as described in the preamble to the final VR regulations (81 FR 55629, 55706) and not to fund services prior to job placement (e.g., assessment, job search assistance).
- RSA provided technical assistance on when it is appropriate to close an individual in supported employment, and encouraged NC DSB to implement training to staff to ensure they are accurately reporting all supported employment outcomes.
- RSA discussed strategies for partnering with NC DVRS to share caseloads to better serve individuals with multiple disabilities whose primary or secondary disability may be blindness or visual impairment.
- RSA provided technical assistance related to customized employment as defined in 34 C.F.R. § 361.5(c)(11) and the preamble to the final VR regulations (81 FR 55629, 55645-55646). RSA described the in-depth work of the WINTAC on assisting other State agencies to develop customized employment and suggested that NC DSB work with the WINTAC to develop policies and procedures on this employment model that would benefit individuals with most significant disabilities who might not be able to benefit from more traditional supported employment services. The agency appeared to be open to this suggestion.

SECTION 5: FOCUS AREA – ALLOCATION AND EXPENDITURE OF STATE VOCATIONAL REHABILITATION SERVICES AND STATE SUPPORTED EMPLOYMENT SERVICES PROGRAM FUNDS

A. Purpose

Through this focus area RSA assessed the fiscal accountability of the VR and Supported Employment programs to ensure that: funds are being used only for intended purposes; programs have sound internal controls and reliable reporting systems; available resources are maximized for program needs; and funds support the achievement of employment outcomes for individuals with disabilities, including youth with disabilities and individuals with the most significant disabilities.

B. Overview and Analysis

NC DVRS is referenced below because of the close interaction between NC DVRS and NC DSB fiscal staff and systems, including numerous aspects which are identical and inter-related. Any findings or issues discussed below should be considered relevant only to NC DSB. Findings identified for NC DVRS may be similar, but RSA will include them in that agency's FFY 2018 monitoring report.

RSA reviewed NC DSB's internal control policies and procedures for the allocation and expenditure of VR and Supported Employment program funds, fiscal internal control processes, manuals, as well as several contracts, leases and agreements spanning a variety of agency functions. Additionally, NC DSB staff demonstrated case management systems and how costs are tracked, monitored for fraud, and aggregated for Federal reports.

NC DSB did not have policies or procedures for submitting requests for prior approval to RSA. NC DSB had not submitted any prior approval requests during the period of time between implementation of the Uniform Guidance requirements and the on-site monitoring visit.

NC DSB and NC DVRS fiscal staff share a common supervisor. Staff have agency specific duties but collaborate on many issues, particularly in relation to monitoring progress regarding statewide fiscal requirements.

NC DSB has an approved cost allocation plan through its cognizant agency, the U.S. Department of Health and Human Services. Front line staff personnel costs are typically charged 100 percent to the program the individual works to support, which is documented through time sheets and certified by supervisors. Supervisor salaries and associated costs are allocated based on the Supervisor's assigned staff personnel costs charged to programs.

Match, Maintenance of Effort, and Federal Funds

From FFY 2015 through 2017, match was provided predominately from the expenditure of State appropriations, ranging from 75.4 percent in FFY 2015, to 87.3 percent in FFY 2017. Other sources of match are TPCAs and the Randolph-Sheppard program. As a proportion of total

match, TPCA's have dropped from 1.9 percent in 2015, to 1.2 percent in 2017, while Randolph-Sheppard match also dropped from 22.7 percent in FFY 2015, to 11.6 percent in FFY 2017.

NC DSB closely monitors match requirements and can increase or decrease the amount of State funds expended to meet, but not exceed, the requirements. As a practice, expenditure of State funds is prioritized until matching requirements have been met. This process is monitored closely and may result in a change in the percentage of State funds paid for allowable expenditures. This process is tracked by both agencies and their shared supervisor.

NC DSB expends virtually the entire award in the year of appropriation. From FFY 2015 through FFY 2017, State agency expenditures on fourth quarter and final SF-425s have varied by less than 2 percent and, in fact, were identical in FFY 2017. NC DSB does not carryover its VR grant award.

NC DSB has historically transferred \$2,000,000 per fiscal year to NC DVRS. However, the last transfer was in FFY 2015. The cessation of this transfer was due to a change in percentage of the State's VR award that was assigned to NC DSB and NC DVRS.

C. Observations and Recommendations

The review of NC DSB's performance in this focus area did not result in the identification of observations and recommendations to improve the agency's fiscal management.

D. Findings and Corrective Actions

RSA's review of NC DSB resulted in the identification of the following findings and corrective actions to improve the agency's fiscal management.

5.1 One-Stop Service Delivery System Memoranda of Understanding and Infrastructure Funding Agreements

Issue: Have NC DVRS and NC DSB executed infrastructure funding agreements (IFAs) that satisfy 34 C.F.R. §§ 361.420, 361.500, 361.715, and 361.755, as well as policy guidance issued jointly by the U.S. Departments of Education and Labor (Departments).

Requirement: The designated State unit (DSU) has sole responsibility for the VR program's participation as a partner in the one-stop service delivery system (34 C.F.R. § 361.13(c)(1)(v) and (2)). As a required one-stop partner pursuant to 34 C.F.R. § 361.420, the DSU must—

- Use a portion of its funds, consistent with the Rehabilitation Act, as amended by WIOA, and with Federal cost principles in 2 C.F.R. Parts 200 and 3474 (requiring, among other things, that costs are allowable, reasonable, necessary, and allocable), to—
 - Provide applicable career services; and
 - Work collaboratively with the State and local workforce development boards (LWDB) to establish and maintain the one-stop delivery system. This includes jointly funding the one-stop infrastructure through partner contributions that are based upon--

- A reasonable cost allocation methodology by which infrastructure costs are charged to each partner based on proportionate use and relative benefit received;
 - Federal cost principles; and
 - Any local administrative cost requirements in the Federal law authorizing the partner's program. (This is further described in 34 C.F.R. § 361.700.);
- Enter into an MOU with the LWDBs relating to the operation of the one-stop delivery system that meets the requirements of 34 C.F.R. § 361.500(b); and
- Pursuant to 34 C.F.R. § 361.500(a), the MOU and IFA is the product of local discussion and negotiation. It is an agreement developed and executed between the LWDB and the one-stop partners, with the agreement of the chief elected official and the one-stop partners, relating to the operation of the one-stop delivery system in the local area. In accordance with 34 C.F.R. § 361.500(b), each MOU must contain—
- Agreement on funding the costs of the services and the operating costs of the system, including--
 - Funding of infrastructure costs of one-stop centers in accordance with 34 C.F.R. §§ 361.700 through 361.755; and
 - Funding of the shared services and operating costs of the one-stop delivery system described in 34 C.F.R. § 361.760;
- Methods to ensure that the needs of workers, youth, and individuals with barriers to employment, including individuals with disabilities, are addressed in providing access to services, including access to technology and materials that are available through the one-stop delivery system; and
- Assurances that each MOU will be reviewed, and if substantial changes have occurred, renewed, not less than once every 3-year period to ensure appropriate funding and delivery of services.

The MOU may contain any other provisions agreed to by the parties that are consistent with Title I of WIOA, the authorizing statutes and regulations of one-stop partner programs, and the implementing regulations of WIOA (34 C.F.R. § 361.500(c)). When fully executed, the MOU must contain the signatures of the LWDB, one-stop partners, the chief elected official(s), and the time period in which the agreement is effective. The MOU must be updated not less than every 3 years to reflect any changes in the signatory official of the Board, one-stop partners, and chief elected officials, or one-stop infrastructure funding (34 C.F.R. § 361.500(d)). If a one-stop partner appeal to the State regarding infrastructure costs, using the process described in 34 C.F.R. § 361.750, results in a change to the one-stop partner's infrastructure cost contributions, the MOU must be updated to reflect the final one-stop partner infrastructure cost contributions (34 C.F.R. § 361.500(e)).

The Departments provided extensive guidance regarding the operation of the one-stop service delivery system and the funding of its infrastructure costs in the joint regulations ([Federal Register notice 81 FR 55791](#)), published August 19, 2016. On December 27, 2016, the Departments published a set of frequently asked questions related to the one-stop service delivery system. In this guidance, the Departments indicated that in order to have MOUs in place for PY 2017, which began on July 1, 2017, LWDBs and one-stop partners must enter into MOUs that align with the requirements of WIOA, except for the final IFA, by June 30, 2017. The

Departments also indicated that the U.S. Department of Labor (DOL) used its transition authority in Section 503(b) of WIOA to extend the implementation date of the final IFAs for PY 2017. With this extension, final IFAs were to be in place no later than January 1, 2018. However, the Departments explained that Governors had the discretion to require local areas to enter into final IFAs at any time between July 1, 2017, and January 1, 2018. During the extension period, local areas were allowed to use existing funding agreements in place for PY 2016, with any such modifications as the partners may have agreed to, to fund infrastructure costs in the local area. On January 18, 2017, the Departments issued formal policy guidance, which RSA published as technical assistance circulars: RSA-TAC-17-02 and RSA-TAC-17-03. In RSA-TAC-17-02, the Departments reiterated the extended IFA deadline of January 1, 2018.

TAC 17-03 speaks directly to the financial requirements of IFAs and cost allocation. The following material is relevant to issues discussed in this finding.

Uniform Guidance: Federal Cost Principles

Any cost paid for with Federal grant funds must comply with Subpart E, Federal Cost Principles of the Uniform Guidance at 2 C.F.R. Part 200. The Federal Cost Principles, applicable to one-stop partners that are federally funded, provide general guidance to be used in developing cost allocation methodologies and in determining if contributions toward infrastructure costs and additional costs are necessary, reasonable, and allocable to their program based upon relative benefits received. Additionally, all costs must be allowable under, and allocable to, that partner program in accordance with the program's authorizing statute and implementing regulations. In addition, WIOA requires one-stop partners to contribute funding to establish and maintain the one-stop delivery system based on each partner's proportionate use of the system and the relative benefits received (WIOA sec. 121(h)(1)(B)(i) and 121(h)(2)(C); 20 C.F.R. § 678.420(b), 34 C.F.R. § 361.420(b), and 34 C.F.R. § 463.420(b)). One-stop partners must use a reasonable cost allocation methodology in determining appropriate partner contributions based on proportionate use and relative benefits received (20 C.F.R. § 678.420(b)(2)(i), 34 C.F.R. § 361.420(b)(2)(i), and 34 C.F.R. § 463.420(b)(2)(i)).

Proportionate Use

For the purpose of this joint policy guidance, "proportionate use" refers to a partner program contributing its fair share of the costs proportionate to: (1) the use of the one-stop center by customers that may include reportable individuals and participants in its program at that one-stop center; (2) the amount of square footage occupied by the partner program in the one-stop center; or (3) another allocation base consistent with the Uniform Guidance.

Relative Benefit

In determining the proportionate share, the "relative benefit" received from participating in the one-stop delivery system is another step in the cost allocation process. Determining relative benefit does not require partners to conduct an exact or absolute measurement of benefit, but instead to measure a partner's benefit using reasonable methods. The Uniform Guidance, at 2 C.F.R. § 200.4, requires that the process of assigning a cost or group of costs to one or more cost objectives must be in reasonable proportion to the benefit provided. The measurement of a one-

stop partner's share of infrastructure costs must be based on reasonable methods that are agreed to by all partners through the LFM or determined in accordance with the SFM. However, as discussed later in this guidance, partner contributions that are initially based on budgeted amounts must be reviewed and reconciled periodically during the program year against actual costs incurred. Additionally, adjustments must be made to ensure that partner contributions are proportionate to their use of the one-stop center and relative benefits received as required by 20 C.F.R. § 678.715(a)(4), 34 C.F.R. § 361.715(a)(4), and 34 C.F.R. § 463.715(a)(4).

Allocation of Costs

Cost allocation is based upon the premise that Federal programs are to bear an equitable proportion of shared costs based on the benefit received by each program. The allocation of costs must be consistent with the Uniform Guidance. The Uniform Guidance defines "allocation" at 2 C.F.R. § 200.4 and "allocable costs" at 2 C.F.R. § 200.405.

Analysis: North Carolina contains 23 local workforce development areas, including 81 one-stop centers across the State. RSA reviewed numerous IFA's and held a teleconference and on-site meetings with NC DVRS and NC DSB. The following funding methodology is taken from the Durham Career Center MOU. NC DVRS and NC DSB confirm that although specific numbers may vary slightly across different MOUs, the basic allocation concepts apply across all IFAs.

Funding Methodology for State VR Services

1. 80 percent based on number of people with disabilities age 18-64 in each county;
2. 13 percent "Disability Density" which is defined as the number of people age 18-64 in the State; and
3. 7 percent county's relative fair market rent.

This methodology applies to costs attributed to the "State Vocational Rehabilitation Program" which includes both NC DVRS and NC DSB. Costs are further allocated to specific VR programs based on proportion of budget size.

This funding methodology is problematic for the following reasons:

1. This methodology does not determine cost based upon proportionate use of the one-stop centers by consumers of VR services. There is no mechanism to determine the proportion of the population that will become VR consumers and, if they do, whether they will utilize one-stop center services. As a result, NC DVRS cannot document that the funds paid through the IFA are proportionate to the benefit received by the VR program in accordance with the requirements of 20 C.F.R. § 678.420(b)(2)(i), 34 C.F.R. § 361.420(b)(2)(i), and 34 C.F.R. § 463.420(b)(2)(i).
2. As noted above, the IFA's reference the State VR Program, as a whole; therefore, NC DVRS and NC DSB are both part of the agreement. Initial IFA costs are allocated to the State VR Program and then the total amount is allocated to NC DVRS and NC DSB based on the proportion of each agency's grant award. This sub-allocation of costs is not based on proportionate use or benefit to the specific VR program and thus has the same issues as the allocation of costs to the State VR program as a whole. The allocation of

one-stop costs to a specific VR program must be based on actual costs allocable to the VR program. It is not reasonable to assume that the benefits to each VR program for one-stop center costs would be in proportion to the amount of each agency's grant award.

3. RSA reviewed several IFAs and can confirm that the State VR program is the only partner program that uses presence of people with disabilities in the local area as a basis for funding methodologies. Other one-stop programs also have the legal responsibility to serve people with disabilities; therefore, presence of a disability cannot be used to assume a person with a disability will access only the VR program, or to assume in what proportion programs will be utilized. To ensure uniformity, the way costs are allocated to a particular cost objective through an IFA should be consistent across all one-stop partners to ensure equal treatment of costs.

Conclusion: At the time of the on-site monitoring review, NC DSB was not using a cost allocation methodology where one-stop infrastructure costs were charged to NC DSB based on the relative benefit received in accordance with 20 C.F.R. § 678.420(b)(2)(i), 34 C.F.R.

§ 361.420(b)(2)(i), and 34 C.F.R. § 463.420(b)(2)(i). Both agencies had identified potential methods for measuring use and relative benefit and were beginning the process of amending IFAs. RSA has not yet received any of the new IFAs.

Corrective Actions: RSA requires that NC DSB:

5.1.1 Develop and institute funding methodologies in IFAs that are VR agency specific and based on proportionate use and relative benefits received for the VR award (20 C.F.R. § 678.420(b)(2)(i), 34 C.F.R. § 361.420(b)(2)(i), and 34 C.F.R. § 463.420(b)(2)(i)).

5.1.2 Once appropriate funding methodologies are identified and implemented, NC DVRS and NC DSB must apply these methods to FFYs 2017 through 2019. These figures must then be reconciled against actual expenditures under previous IFAs and submitted to RSA for review. Any differences may need to be refunded to the VR award.

Agency Response: The agency acknowledges the findings and agrees with the recommended corrective actions steps. The agency began significantly increased compliance with the requirement in October 2018, with the development of a new cost allocation methodology based on relative benefits received in accordance with 20 C.F.R. The agency will submit the new cost allocation methodology to RSA for review during the corrective action plan process.

Request for Technical Assistance: While RSA was on site, technical assistance was received; however, the agency will not hesitate to request further assistance should its new cost allocation methodology require adjustment.

5.2 Insufficient internal controls – assignment of VR obligations and expenditures to the correct Federal award.

Issue: Does NC DSB assign obligations and expenditures to the correct Federal award in accordance with 34 C.F.R. § 361.12; 2 C.F.R. § § 200.77, 200.302, 200.303(a), 200.309; and 34 C.F.R. § 76.702.

Requirements: As a recipient of Federal VR and Supported Employment funds, NC DSB must have procedures that ensure the proper and efficient administration of its VR and Supported Employment programs and that enable NC DSB to carry out all required functions, including financial reporting (34 C.F.R. § 361.12). In accordance with the Uniform Guidance in 2 C.F.R. § 200.302(a), a State's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the award, must be sufficient to permit the preparation of reports required by general and program specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. The Uniform Guidance, at 2 C.F.R. § 200.302(b), requires the financial management system of each non-Federal entity to provide for the following: identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. In addition, 34 C.F.R. § 76.702 requires States to use fiscal control and fund accounting procedures that ensure proper disbursement of and accounting for Federal funds.

Each grant award has a defined "period of performance," which is the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award (2 C.F.R. § 200.77). A non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance (2 C.F.R. § 200.309, see also 34 C.F.R. §§ 76.703 and 76.709). Grantees must implement internal controls to ensure obligations and expenditures for a Federal award are assigned, tracked, recorded, and reported within the applicable period of performance for that Federal award, thereby ensuring the grantees are managing the award in compliance with Federal requirements (2 C.F.R. § 200.303(a)). The proper assignment of Federal and non-Federal funds to the correct period of performance is necessary for NC DSB to correctly account for VR funds so RSA can be assured that the agency has satisfied requirements for, among other things, match (34 C.F.R. § 361.60), MOE (34 C.F.R. § 361.62), and the reservation and expenditure of VR funds for the provision of pre-employment transition services (34 C.F.R. § 361.65(a)(3)).

An obligation means "orders placed for property and services, contracts and sub-awards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period" (2 C.F.R. § 200.71). For expenditures to be allowable under the Federal award, agencies must demonstrate that the obligation occurred within the period of performance of the Federal award. Regulations in 34 C.F.R. § 76.707 explain when a State incurs an obligation for various kinds of services and property. Therefore, in order to properly account for and liquidate expenditures, grantees must be able to assign an obligation to a Federal award based upon the date the obligation was made (34 C.F.R. §§ 76.703 and 76.709). Grantees must assign all Federal and non-Federal obligations and expenditures, on a FFY basis, to the correct Federal award in accordance with the period of performance.

Analysis:

Accounting for Obligations and Expenditures

RSA reviewed the agency's policies and procedures regarding the assignment of Federal and non-Federal obligations and expenditures to the correct Federal award. RSA specifically

reviewed documentation of non-administrative charges to NC DSB's VR award for FFY 2017. RSA also reviewed documentation of obligations and expenditures to ensure NC DSB was correctly assigning and reporting obligations and expenditures to the proper period of performance and Federal award in accordance with Federal requirements.

In reviewing the supporting documentation, RSA noted that dates associated with expenses were only clearly identified at one point, which after further discussion was identified as when a payment was sent (i.e., a check was written). This date was applied in all situations and was used to determine the FFY to which the expense was obligated. Some expenses had invoices where the invoice number reflected a date, but that practice does not apply to most expenses and was not used to attribute the expense to a specific FFY.

As discussed above, 34 C.F.R. § 76.707 details when certain types of expenses should be considered obligated. Some expenses, such as personal services by an employee of the State or subgrantee are considered obligated when the services are performed while others like acquisition of real or personal property are considered obligated on the date on which the State makes a binding written commitment to acquire the property. The differences here are critical in that assigning obligations and expenditures to the correct Federal award can only be accomplished if dates of obligation are specific to that type of obligation and based on relevant law and regulation. All expenses charged to the NC DSB award are done based upon when the payment is sent, without regard to the obligation requirements.

During pre-onsite teleconferences, the RSA review team discussed these concerns with NC DSB, specifically citing the RSA FAQ on Period of Performance, GAN attachments, and Uniform Guidance. NC DSB fiscal staff acknowledged that period of performance requirements were not being followed and that assignment of expenses to the correct FFY was not in compliance with 34 C.F.R. § 76.707 and Uniform Guidance. During on-site review activities, NC DSB restated that the period of performance requirements were not being followed and requested technical assistance to begin efforts to create new systems to be in compliance. The RSA review team provided technical assistance in this area, as noted below. It should be noted that these issues are systemwide and apply to all expenses charged to the NC DSB award. In efforts to address this finding, NC DSB must assure that changes apply to all expenses.

Assigning expenses to the correct FFY is critical in assuring that match, MOE, and reservation of funds for the provision of pre-employment transition services are accurately determined.

As stated above, current systems cannot ensure that expenses are being assigned to the correct FFY, which in addition to being out of compliance, is likely resulting in inaccurate reporting on the SF-425. The result is that RSA and NC DSB cannot accurately determine to what degree match, MOE, and reservation of funds for the provision of pre-employment transition services requirements have been met. New systems developed by NC DSB will need to be retroactively applied to FFYs 2017, 2018, and 2019, after which NC DSB will need to submit new SF-425s based on this new and accurate assignment of expenses.

RSA will review these new SF-425s and determine whether additional steps will be needed.

Conclusion: Based upon the information above, NC DSB is not in compliance with the Federal requirements (34 C.F.R. § 361.12, 34 C.F.R. § 76.702, and 2 C.F.R. § 200.302) to accurately account for and report obligations and ensure expenditures are paid from the correct Federal award. As a result, RSA cannot determine, at this time, whether the agency satisfied requirements related to match, MOE, and the reservation of funds for the provision of pre-employment transition services.

RSA is concerned regarding NC DSB's failure to implement a financial management system that meets Federal requirements, as the agency is not able to ensure:

- Accurate data collection and financial accountability, as required by 34 C.F.R. § 361.12;
- The proper disbursement of and accounting for Federal funds, as required by 34 C.F.R. § 76.702; and
- Only allowable costs resulting from obligations of the funding period are charged to the award, as required by 2 C.F.R. §§ 200.403, 200.404, and 200.405.

As a recipient of Federal VR funds, NC DSB must have procedures in place that ensure proper and efficient administration of its VR program, and that enable NC DSB to carry out all required functions. The methods of administration must ensure accurate data collection and financial accountability (34 C.F.R. § 361.12 and 2 C.F.R. § 200.302).

Corrective Actions: RSA requires that NC DSB:

- 5.2.1** Within 3 months of the date of the final monitoring report, submit draft internal controls for ensuring compliance with obligation requirements in 2 C.F.R. § 200.303, including a monitoring component, that ensures sustained compliance with and correction of the specific areas identified. Specifically, NC DSB must revise its financial data collection and analysis process so that NC DSB ensures all Federal and non-Federal obligations are properly accounted for and obligated to the correct FFY award in the agency's financial management system.
- 5.2.2** Within 3 months after concurrence by RSA, NC DSB will implement the new processes, policies, procedures and internal controls, as necessary, to accurately account for and report Federal and non-Federal obligations and expenditures to the correct period of performance.
- 5.2.3** Within 8 months after the final monitoring report, submit revised draft SF-425s to RSA for FFY 2017, 2018, and 2019 that reflect the correct assignment of obligations.

Agency Response: The agency acknowledges the findings and agrees with the recommended corrective actions steps. NC DSB significantly increased compliance with the requirement in October 2018, with the development of new internal procedures allowing the agency to comply through accounting and reporting obligations and expenditures to the correct federal grant award. NC DSB will submit the proposed written internal procedures to RSA for review during the corrective action plan process.

Request for Technical Assistance: While RSA was on site, technical assistance was received; however, the agency will not hesitate to request further assistance should its new methodology require adjustment during the corrective action plan process.

5.3 Prior Approval Requirements Not Met

Issue: Did NC DSB obtain prior written approval from RSA before purchasing items requiring prior approval.

Requirements: The Uniform Guidance at 2 C.F.R. § 200.407, includes a list of specific circumstances for which prior approval from the Federal awarding agency in advance of the occurrence is either required for allowability or recommended in order to avoid subsequent disallowance or dispute based on the unreasonableness or non-allocability. For example, 2 C.F.R. § 200.439(b)(1) states that capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the Federal awarding or pass through entity. The Uniform Guidance at 2 C.F.R. § 200.62(a)(3) also requires the agency have internal control over compliance requirements for Federal awards to demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

On November 2, 2015, the Department of Education adopted the final regulations found in 2 C.F.R. part 200 (Federal Register notice 80 FR 67261). The Department issued notifications to grantees regarding the new requirements and made training and technical assistance documents available to grantees to assist in implementation of the new requirements. To ensure that RSA grantees were aware of the applicability of the prior approval requirements, RSA included a special clause on the FFY 2016 Grant Award Notifications that stated, in pertinent part: ‘the prior approval requirements listed in the Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance) (2 C.F.R. part 200) are applicable to this award... Grantees are responsible for ensuring that prior approval, when required, is obtained prior to incurring the expenditure. Grantees should pay particular attention to the prior approval requirements listed in the Cost Principles (2 C.F.R. part 200 subpart E).’

In addition, information regarding the requirements in 2 C.F.R. part 200 was communicated to grantees via RSA’s listserv on September 23, 2015.

Analysis: Prior to on-site activities, RSA observed NC DSB was not submitting requests for prior approval. As part of monitoring, RSA learned that NC DSB had no policies or procedures for submitting prior approvals and was struggling to understand the requirements. RSA addressed this through informal communication with NC DSB, including the provision of technical assistance and resources. NC DSB shared that it had questions and concerns related to demands on staff and ability to meet requirements. While committing to meeting requirements, NC DSB requested further on-site assistance to help develop necessary policies and processes.

Conclusion: Based on the above analysis, NC DSB was not in compliance with the prior approval requirements pursuant to the Uniform Guidance (2 C.F.R. § 200.407).

Corrective Actions: RSA requires that NC DSB:

5.3.1 Within 3 months after the issuance of the monitoring report, develop and implement policies and procedures, as well as a written internal control process, including a monitoring component, to ensure ongoing compliance with the prior approval requirements and the *Frequently Asked Questions (FAQs) Prior Approval – OSEP and RSA Formula Grants*, issued by OSERS on October 29, 2019.

Agency Response: The agency acknowledges the findings and agrees with the recommended corrective actions steps. NC DSB significantly increased compliance with the requirement in October 2018, with the development of internal procedures including a monitoring component to ensure it is complying with the prior approval requirements pursuant to the Uniform Guidance (2C.F.R.200.407). NC DSB will submit the proposed written internal control process to RSA for review during the corrective action plan process.

Request for Technical Assistance: While RSA was on site, technical assistance was received; however, the agency will not hesitate to request further assistance should its proposed internal control process require adjustment during the corrective action plan process.

E. Technical Assistance

During monitoring activities, RSA provided technical assistance to NC DSB as described below.

- IFA's, cost allocation and methods to assure that costs to the VR award reflect actual work performed and are proportional to benefit received. This was discussed in relation to one-stop costs and overall agency interactions with partners and other agencies.
- Requirements for attributing obligations to the correct FFY, impacts on match, MOE, pre-employment transition services, and requirements for timely and accurate submission of required Federal reports.
- Requirements for seeking prior approval on certain types of expenses, methods for internal planning and processing of requests, and the aggregate method for seeking approvals.

SECTION 6: FOCUS AREA – JOINT WORKFORCE INNOVATION AND OPPORTUNITY ACT FINAL RULE IMPLEMENTATION

A. Purpose

The Departments of Education and Labor issued the Workforce Innovation and Opportunity Act (WIOA) Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; Final Rule (Joint WIOA Final Rule) to implement Title I of WIOA. These joint regulations apply to all core programs of the workforce development system established by Title I of WIOA and the joint regulations are incorporated into the VR program regulations through subparts D, E, and F of 34 C.F.R. part 361.

WIOA strengthens the alignment of the public workforce development system's six core programs through unified strategic planning requirements, common performance accountability measures, and requirements governing the one-stop delivery system. WIOA places heightened emphasis on coordination and collaboration at the Federal, State, local, and tribal levels to ensure a streamlined and coordinated service delivery system for job seekers, including those with disabilities, and employers.

In FFY 2018, the Employment and Training Administration in the U.S. Department of Labor, the Office of Career, Technical, and Adult Education, and RSA developed the "WIOA Shared Monitoring Guide." RSA incorporated its content into the FFY 2018 monitoring of the VR program in this focus area. RSA assessed the VR agency's progress and compliance in the implementation of the Joint WIOA Final Rule through this focus area.

B. Implementation of WIOA Joint Final Rule

This focus area consists of the following topical areas: WIOA Partnership; Governance; One-Stop Operations; and Performance Accountability. To gather information pertinent to these topics, RSA staff reviewed a variety of documents including the Program Year (PY) 2016 Unified or Combined State Plan; Memoranda of Understanding (MOUs) including the One-Stop Center Operating Budget and Infrastructure Funding Agreement (IFA) related to the one-stop service delivery system; and other supporting documentation related to the four topical areas.

WIOA Partnership

WIOA requires States and local areas to enhance coordination and partnerships with local entities and supportive service agencies for strengthened service delivery, including through Unified/Combined State Plans. Beyond the partnerships reflected in the Governance and One-Stop Operations sections of this focus area, Federal partners thought it was important for Federal agencies to inquire about the broader partnership activities occurring to implement many of the approaches called for within WIOA, such as career pathways and sector strategies. These require robust relationships across programs and with businesses, economic development, education, and training institutions, including community colleges and career and technical education local entities and supportive service agencies. Exploring how these activities are led and sustained may be useful in assessing how these initiatives are progressing within a State.

NC DSB staff stated that the agency has a strong working relationship with WIOA core partners. Agency staff stated that the collaboration process has given all partners more insight on programs and planning opportunities of other workforce partners, thereby increasing overall referrals for services.

Memoranda of Understanding (MOUs) have been developed and fully implemented for each local area outlining the roles and responsibilities for each partner involved. The State workforce development board (SWDB) engages with local workforce development boards (LWDBs) and community partners to develop strategies and career pathways.

Governance

SWDBs and LWDBs, which should include representation from all six core programs, including the VR program, set strategy and policies for an aligned workforce development system that partners with the education continuum, economic development, human services, and businesses. The VR representative on the SWDB must be an individual who has optimum policy making authority for the VR program, and each LWDB is required to have at least one representative from programs carried out under Title I of the Rehabilitation Act of 1973 (other than Section 112 or part C of that Title).

The SWDB in North Carolina consists of at least 15 members appointed by the Governor. NC DSB reported working well with its partners within the workforce boards on the State and local levels. To ensure effective implementation of the State plan, workgroups were developed across the State on the local level with various stakeholders. Input from all core partners was sought. They were responsible for reviewing the local plans, policies, and State plan. Follow-up meetings were held when necessary. The Secretary of the North Carolina Department of Health and Human Services (DHHS) or his designee represents the VR program on the SWDB.

Within the NCWorks Workforce Development System, there are 23 local workforce areas. Unit managers and supervisors are present and active on each local board, although NC DSB is not necessarily the lead VR agency given its limited staff resources. The goal of the NCWorks career centers is to effectively provide training to its workforce and connect employers and job seekers across the State.

At the time of this review, NC DSB was still in the early stages of implementing strategies for individuals with disabilities in relation to coordinating programs and services among core partners. NC DSB was also working on data sharing agreements to be able to share information across programs.

NC DSB has been actively engaged in the one-stop certification process. The agency is continually working with partners to make sure they are educated about the certification process. At the time of the review, the agency was working on creating a standardized assessment of accessibility within the certification process. The certification process focuses on three main areas including program, physical, and digital access.

One-Stop Operations

The one-stop delivery system brings together workforce development, educational, and other human resource services in a seamless customer-focused service delivery network that enhances access to services and improves long-term employment outcomes for individuals receiving assistance. One-stop partners administer separately funded programs as a set of integrated streamlined services to customers.

VR services are delivered throughout the State through its district offices and through the one-stop centers. North Carolina is made up of 23 local workforce development areas, which include 81 one stop centers across the State. They also provide business services within their comprehensive centers.

At the time of this review, NC DSB was exploring options for co-location of VR representatives in the one-stop centers as leases expire. It was working with the WINTAC to focus on improved integration of NC DSB that would improve integration in one-stop centers and increase the VR agency's presence. There is a referral process in place in the one-stop centers for individuals to receive VR services. NC DSB is working on a "no wrong door policy" within the one-stop centers to have individuals with disabilities identified and referred to NC DSB for VR services.

Each local workforce area has a fully implemented MOU. At the time of this review, NC DSB was working in conjunction with local workforce partners to revise its local funding agreement around the State by usage data by center and program.

NC DSB and NC DVRS developed the Infrastructure Funding Agreement together using the GAO report on the VR funding formula in 2009 to develop their approach. The two State VR agencies broke data down by county, disability type, and age groups using American survey data. A calculation of disability density in an area was completed using fair market rate from HUD. Each local area determined its contribution based on these figures. Please see more detail on NC DSB's cost allocation methodology in the fiscal focus area, Finding 5.1.

NC DSB has been working on revising the one-stop certification process relative to program accessibility to serve the needs of consumers of both the Deaf and Hard of Hearing and Division of Services for the Blind. The intention is to have all partners' input on the one-stop certification checklist for comprehensive and affiliate one-stop centers.

The development of career pathways is an ongoing process with the local workforce boards. Seven certified career pathways programs were developed in 2016, and at the time of this review, there were over 20 collaboratives with businesses. Presently, in Greensboro, NC, they are working to develop a certification on avionics for high school students.

Performance Accountability

Section 116 of WIOA establishes performance accountability indicators and performance reporting requirements to assess the effectiveness of States and local areas in achieving positive outcomes for individuals served in the workforce development system. WIOA requires that these requirements apply across all six core programs, with a few exceptions. RSA reviewed the VR

agency's progress and implementation of performance accountability measures and data sharing and matching requirements.

The Division of Workforce Solutions is responsible for the coordination and submission of the WIOA Statewide Annual Performance Report Template in accordance with 34 C.F.R. § 361.160. The VR agency's case management system has a unique identifier mechanism in place that is specific to VR. NC DSB is able to utilize the unique identifier to determine if an individual is co-enrolled in programs. As of the time of this review, the agency had work opportunity tax credit and wage data sharing agreements with core partners.

An evaluation is conducted by the Labor and Economic Analysis Division under the Department of Commerce where cross program participation, services provided, and service sequence are reviewed to determine if there is a duplication of services. The agency is using employer penetration and repeat employers as the two measures for effectively serving employers.

C. Observations and Recommendations

RSA's review of NC DSB's performance in this focus area did not result in the identification of observations and recommendations to improve performance.

D. Findings and Corrective Actions

RSA's review of NC DSB's performance in this focus area resulted in the identification of Finding 5.1 and corrective actions to improve performance included in Section 5 of this monitoring report.

E. Technical Assistance

During the course of monitoring activities, RSA provided technical assistance to NC DSB as described below.

State Workforce Development Board Representation:

NC DVRS and NC DSB, which administer the VR program – one of the core partner workforce development programs – that is authorized under the Rehabilitation Act of 1973, as amended by Title IV of WIOA, are both housed in NC DHHS. DHHS is overseen by a Secretary and programs housed within DHHS are administered by directors. During RSA's on-site monitoring of the VR program, RSA learned that NC DVRS and NC DSB are both represented on the SWDB, which is referred to as the NCWorks Commission, by the DHHS Secretary. NC DVRS and NC DSB indicated that one of the DHHS Deputy Secretaries, who oversees both VR agencies, represents the DHHS Secretary at SWDB meetings.

Section 101(b)(1)(C)(iii)(I)(aa) of WIOA requires that the State Board be comprised of, among others, representatives from "the lead State officials with primary responsibility for the core programs" (see also 20 C.F.R. § 679.110(b)(3)(iii)(A)(1)). The preamble to the final regulations explains further that 20 C.F.R. § 679.110(b)(3)(iii)(A)(1)(i) through (iii) were modified for

purposes of the final regulations to make clear that the Title IV VR program must be represented by a single, unique representative (see 81 FR 56072, 56074 (Aug. 19, 2016)).

This policy position by the U.S. Department of Labor (DOL), as expressed in the preamble to the final regulations, is consistent with 20 C.F.R. § 679.110(e), which requires that State Board members representing core programs, such as the VR program, be individuals who have optimum policy-making authority for the core program that they represent. Pursuant to 20 C.F.R. § 679.120(a):

- (a) A representative with “optimum policy-making authority” is an individual who can reasonably be expected to speak affirmatively on behalf of the entity he or she represents and to commit that entity to a chosen course of action.

The NC DVRS and NC DSB directors are the only individuals who have optimum policy-making authority for the VR program as described in 20 C.F.R. § 679.120(a). This position is consistent with 34 C.F.R. § 361.13(c)(1), which specifies certain functions that are the sole responsibility of the VR agency, including development and implementation of policies, allocation and expenditure of VR funds, and participation as a partner in the workforce development system. This includes the VR program’s participation on the SWDB pursuant to 20 C.F.R. § 679.110(b)(3)(iii)(A)(1)(iii) and 20 C.F.R. § 679.120(a). The VR program directors do not have the authority to delegate this authority to another entity or individual (34 C.F.R. § 361.13(c)(2)). In other words, neither the NC DVRS nor the NC DSB director has the authority to delegate to the DHHS Secretary or Deputy Secretary the authority to represent the VR program on the NCWorks Commission. To do so would also be delegating the authority to commit the VR program to particular courses of action with respect to the development and implementation of policies and the allocation and expenditure of VR funds on behalf of the VR program. None of these authorities can be delegated to another individual, including the head of the designated State agency (DSA) overseeing NC DVR and DSB.

Therefore, the NCWorks Commission has not complied with Section 101(b) of WIOA and 20 C.F.R. § 679.110(b)(3)(iii)(A)(1)(iii) of its implementing regulations by having the DHHS Secretary and Deputy Secretary represent the VR program on the SWDB. After consultation with DOL on this matter, RSA recommends that North Carolina revise its State Board composition by appointing either the NC DVRS or NC DSB director to represent the VR program. Enforcement of this matter falls under the jurisdiction of DOL.

NC DSB has not requested additional technical assistance in this focus area.

APPENDIX A: PROGRAM AND FISCAL PERFORMANCE DATA TABLES

This appendix contains the program and fiscal performance data tables used throughout the review. Data were drawn from the RSA-113 (Quarterly Cumulative Caseload Report), the RSA-911 (Case Service Report), and SF-425 (Federal Financial Report). The RSA-113 report is a quarterly submission that provides cumulative information at the end of the Federal fiscal year. The data from the RSA-113 cover both open and closed cases as reported to RSA at the end of the Federal fiscal year. The RSA-911 contains information on cases closed during the Federal fiscal year covered by the report and does not include information related to those cases remaining open in the next Federal fiscal year.

Program Performance Tables for Focus Area III

Table 1. North Carolina Blind Agency Summary Statistics from RSA 113: FFYs 2015-2017

Row	Performance category	2015	2016	2017
1	Number of total applicants	869	763	768
2	Number of total eligible individuals	784	670	655
3	Agency implementing order of selection (Y/N)	No	No	No
4	Number of individuals on order of selection waiting list at year-end	NA	NA	NA
5	Percent eligible of individuals had IPE who received no services	15.6%	11.3%	11.3%
6	Number of individuals in plan receiving services	2,988	2,829	2,869

Data source: RSA-113

**North Carolina Blind Agency Case Status Information, Exit Status, and
Employment Outcomes for All Individuals at Closure-FFYs 2015-2017**

Row	Performance category	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Exited as applicants	164	17.3	111	15.9	107	13.2
2	Exited from trial work experience	0	0	2	.3	1	0.1
3	Exited with employment	497	52.4	370	53.0	255	31.5
4	Exited without employment	167	17.6	139	19.9	397	49.1
5	Exited from OOS waiting list	NA	NA	NA	NA	NA	NA
6	Exited without employment outcomes, after eligibility, before an IPE was signed or before receiving services	121	12.7	76	10.9	49	6.1
7	Employment rate*		74.9		72.7		39.1
8	Competitive employment outcomes	493	99.2	368	99.5	253	99.2
9	Average hourly earnings for competitive employment outcomes**	\$11.18		\$12.44		\$13.21	
10	Average hours worked for competitive employment outcomes	31.1		30.5		30.6	
11	Median hourly earnings for competitive employment outcomes	\$9.50		\$10.00		\$10.37	
12	Median hours worked for competitive employment outcomes	33.0		32.5		33.0	
13	Quarterly median earnings for competitive employment outcomes***	\$4,056.00		\$4,030.00		\$4,290.00	

Row	Performance category	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
14	Competitive employment outcomes meeting SGA	133	27.0	106	28.8	74	29.2
15	Competitive employment outcomes with employer-provided medical insurance	60	12.2	67	18.2	55	21.7

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

**Using RSA-911: Total number of individuals who exited with employment divided by total number of individuals who received services multiplied by 100.*

***Using RSA-911: Sum of the Weekly Wage at Closure / sum of the Hours Worked in a Week at Closure for individuals achieving a competitive employment outcome.*

****Using RSA-911: Weekly earnings at closure (Data Element 197) multiplied by hours worked in a week at closure (Data Element 198) for individuals who achieved a competitive employment outcome multiplied by 13. Then the values are listed in order, from the lowest to the highest value. The value in the middle of this list is the median quarterly earnings, so there is the same quantity of numbers above the median number as there is below the median number.*

Table 2b. North Carolina Blind Agency Case Status Information, Exit Status, and Employment Outcomes for Individuals below Age 25 at Closure -FFYs 2015-2017

Row	Performance category	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Exited as applicants	13	20.6	13	26.5	7	17.5
2	Exited from trial work experience	0	0	2	4.1	0	0
3	Exited with employment	31	49.2	20	40.8	13	32.5
4	Exited without employment	9	14.3	6	12.2	14	35.0
5	Exited from OOS waiting list	NA	NA	NA	NA	NA	NA
6	Exited without employment outcomes, after eligibility, before an IPE was signed or before receiving services	10	15.9	8	16.3	6	15.0
7	Employment rate*		77.5		76.9		48.2
8	Competitive employment outcomes	31	100.0	20	100.0	12	92.3
9	Average hourly earnings for competitive employment outcomes**	\$10.08		\$13.29		\$15.12	
10	Average hours worked for competitive employment outcomes	31.0		29.9		35.8	
11	Median hourly earnings for competitive employment outcomes	\$8.63		\$11.38		\$10.35	
12	Median hours worked for competitive employment outcomes	40.0		29.5		40.0	
13	Quarterly median earnings for competitive employment outcomes***	\$3,965.00		\$4,290.00		\$4,784.00	
14	Competitive employment outcomes meeting SGA	7	22.6	6	30.0	4	33.3

Row	Performance category	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
15	Competitive employment outcomes with employer-provided medical insurance	6	19.4	4	20.0	6	50.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

**Using RSA-911: Total number of individuals who exited with employment divided by total number of individuals who received services multiplied by 100.*

***Using RSA-911: Sum of the Weekly Wage at Closure / sum of the Hours Worked in a Week at Closure for individuals achieving a competitive employment outcome.*

****Using RSA-911: Weekly earnings at closure (Data Element 197) multiplied by hours worked in a week at closure (Data Element 198) for individuals who achieved a competitive employment outcome multiplied by 13. Then the values are listed in order, from the lowest to the highest value. The value in the middle of this list is the median quarterly earnings, so there is the same quantity of numbers above the median number as there is below the median number.*

Table 2c. North Carolina Blind Agency Case Status Information, Exit Status, and Employment Outcomes for Individuals Age 25 and Older at Closure -FFYs 2015-2017

Row	Performance category	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Exited as applicants	151	17.0	98	15.1	100	13.0
2	Exited from trial work experience	0	0	0	0	1	0.1
3	Exited with employment	466	52.6	350	53.9	242	31.5
4	Exited without employment	158	17.8	133	20.5	383	49.8
5	Exited from OOS waiting list	NA	NA	NA	NA	NA	NA
6	Exited without employment outcomes, after eligibility, before an IPE was signed or before receiving services	111	12.5	68	10.5	43	5.6
7	Employment rate*		74.7		72.5		38.7
8	Competitive employment outcomes	462	99.1	348	99.4	241	99.6
9	Average hourly earnings for competitive employment outcomes**	\$11.25		\$12.39		\$13.11	
10	Average hours worked for competitive employment outcomes	31.1		30.6		30.4	
11	Median hourly earnings for competitive employment outcomes	\$9.63		\$10.00		\$10.37	
12	Median hours worked for competitive employment outcomes	32.5		33.00		32.0	
13	Quarterly median earnings for competitive employment outcomes***	\$4,062.50		\$4,004.00		\$4,199.00	

Row	Performance category	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
14	Competitive employment outcomes meeting SGA	126	27.3	100	28.7	70	29.0
15	Competitive employment outcomes with employer-provided medical insurance	54	11.7	63	18.1	49	20.3

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

**Using RSA-911: Total number of individuals who exited with employment divided by total number of individuals who received services multiplied by 100.*

***Using RSA-911: Sum of the Weekly Wage at Closure / sum of the Hours Worked in a Week at Closure for individuals achieving a competitive employment outcome.*

****Using RSA-911: Weekly earnings at closure (Data Element 197) multiplied by hours worked in a week at closure (Data Element 198) for individuals who achieved a competitive employment outcome multiplied by 13. Then the values are listed in order, from the lowest to the highest value. The value in the middle of this list is the median quarterly earnings, so there is the same quantity of numbers above the median number as there is below the median number.*

**Table 3a. North Carolina Blind Agency Source of Referral for All Individuals at Closure-
FFYs 2015-2017**

Row	Source of Referral	2015 Percent	2016 Percent	2017* Percent
1	Educational Institutions (elementary/secondary)	3.4	2.1	3.6
2	Educational Institutions (post-secondary)	0.8	0.9	0.7
3	Medical Health Provider (Public or Private)	33.1	27.4	29.9
4	Welfare Agency (State or local government)	10.7	9.5	10.6
5	Community Rehabilitation Programs	1.8	0.4	1.1
6	Social Security Administration (Disability Determination Service or District office)	0.4	0.1	0.2
7	One-stop Employment/Training Centers	0.3	0.4	0.1
8	Self-referral	37.7	43	40.7
9	Other Sources	7.9	10.9	8.2
10	American Indian VR Services Program	0	0	0
11	Centers for Independent Living	0	0.1	0
12	Child Protective Services	0	0	0
13	Consumer Organizations or Advocacy Groups	0	0	0
14	Employers	0.4	0.3	0.2
15	Faith Based Organizations	0.2	0.3	0.1
16	Family/Friends	0.9	0.9	1.2
17	Intellectual and Developmental Disabilities Providers	0	0	0
18	Mental Health Provider (Public or Private)	0.1	0	0.1
19	Public Housing Authority	0	0	0
20	State Department of Correction/Juvenile Justice	0	0	0.1
21	State Employment Service Agency	0.1	0	0.1
22	Veteran's Administration	0	0	0
23	Worker's Compensation	0	0	0

Row	Source of Referral	2015 Percent	2016 Percent	2017* Percent
24	Other State Agencies	0.5	1.4	1.2
25	Other VR State Agencies	1.3	2.3	1.4
26	Total Identified Referral Sources	99.8	100.0	99.8
27	Other Referral Sources	0.2	0.0	0.2

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 3b. North Carolina Blind Agency Source of Referral for Individuals below Age 25 at Closure -FFYs 2015-2017

Row	Source of Referral	2015 Percent	2016 Percent	2017 Percent
1	Educational Institutions (elementary/secondary)	30.2	26.5	32.5
2	Educational Institutions (post-secondary)	3.2	4.1	5.0
3	Medical Health Provider (Public or Private)	14.3	4.1	10
4	Welfare Agency (State or local government)	7.9	8.2	5.0
5	Community Rehabilitation Programs	0	0	0
6	Social Security Administration (Disability Determination Service or District office)	0	0	0
7	One-stop Employment/Training Centers	0	0	0
8	Self-referral	28.6	38.8	22.5
9	Other Sources	11.1	6.1	17.5
10	American Indian VR Services Program	0	0	0
11	Centers for Independent Living	0	0	0
12	Child Protective Services	0	0	0
13	Consumer Organizations or Advocacy Groups	0	0	0
14	Employers	0	0	0
15	Faith Based Organizations	1.6	0	0
16	Family/Friends	0	4.1	2.5
17	Intellectual and Developmental Disabilities Providers	0	0	0
18	Mental Health Provider (Public or Private)	0	0	0
19	Public Housing Authority	0	0	0
20	State Department of Correction/Juvenile Justice	0	0	0
21	State Employment Service Agency	0	0	0
22	Veteran's Administration	0	0	0

Row	Source of Referral	2015 Percent	2016 Percent	2017 Percent
23	Worker's Compensation	0	0	0
24	Other State Agencies	0	0	0
25	Other VR State Agencies	1.6	8.2	2.5
26	Total Identified Referral Sources	98.4	100.0	97.5
27	Other Referral Sources	1.6	0.0	2.5

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 3c. North Carolina Blind Agency Source of Referral for Individuals Age 25 and Older at Closure -FFYs 2015-2017

Row	Source of Referral	2015 Percent	2016 Percent	2017 Percent
1	Educational Institutions (elementary/secondary)	1.5	0.3	2.1
2	Educational Institutions (post-secondary)	0.7	0.6	0.5
3	Medical Health Provider (Public or Private)	34.4	29.1	30.9
4	Welfare Agency (State or local government)	10.9	9.6	10.9
5	Community Rehabilitation Programs	1.9	0.5	1.2
6	Social Security Administration (Disability Determination Service or District office)	0.5	0.2	0.3
7	One-stop Employment/Training Centers	0.3	0.5	0.1
8	Self-referral	38.4	43.3	41.6
9	Other Sources	7.7	11.2	7.7
10	American Indian VR Services Program	0	0	0
11	Centers for Independent Living	0	0.2	0
12	Child Protective Services	0	0	0
13	Consumer Organizations or Advocacy Groups	0	0	0
14	Employers	0.5	0.3	0.3
15	Faith Based Organizations	0.1	0.3	0.1
16	Family/Friends	1.0	0.6	1.2
17	Intellectual and Developmental Disabilities Providers	0	0	0
18	Mental Health Provider (Public or Private)	0.1	0	0.1
19	Public Housing Authority	0	0	0
20	State Department of Correction/Juvenile Justice	0	0	0.1
21	State Employment Service Agency	0.1	0	0.1
22	Veteran's Administration	0	0	1.3

Row	Source of Referral	2015 Percent	2016 Percent	2017 Percent
23	Worker's Compensation	0	0	1.3
24	Other State Agencies	.6	1.5	0
25	Other VR State Agencies	1.2	1.8	0
26	Total Identified Referral Sources	99.9	100.0	99.9
27	Other Referral Sources	0.1	0	0.1

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 4a. North Blind Agency Outcomes by Disability Type for All Individuals at Closure – FFYs 2015-2017

Row	Disability Type	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Visual - Individuals served	658	99.1	504	99	648	99.4
2	Visual - Employment rate		75.2		72.8		38.9
3	Auditory and Communicative - Individuals served	0	0	1	0.2	1	0.2
4	Auditory and Communicative - Employment rate		NA		0.0		100.0
5	Physical - Individuals served	2	0.3	3	0.6	1	0.2
6	Physical - Employment rate		0.0		66.7		100.0
7	Intellectual and Learning disability - Individuals served	0	0	1	0.2	1	0.2
8	Intellectual and Learning disability - Employment rate		NA		100.0		100.0
9	Psychosocial and psychological- Individuals served	4	0.6	0	0	1	0.2
10	Psychosocial and psychological- Employment rate		50.0		NA		0.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 4b. North Carolina Blind Agency Outcomes by Disability Type for Individuals below Age 25 at Closure - FFYs 2015-2017

Row	Disability Type	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Visual - Individuals served	40	100.0	25	96.2	27	100.0
2	Visual - Employment rate		77.5		76.0		48.1
3	Auditory and Communicative - Individuals served	0	0	0	0	0	0
4	Auditory and Communicative - Employment rate		NA		NA		NA
5	Physical - Individuals served	0	0	0	0	0	0
6	Physical - Employment rate		NA		NA		NA
7	Intellectual and Learning disability - Individuals served	0	0	1	3.8	0	0
8	Intellectual and Learning disability - Employment rate		NA		100.0		NA
9	Psychosocial and psychological- Individuals served	0	0	0	0	0	0
10	Psychosocial and psychological- Employment rate		NA		NA		NA

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 4c. North Carolina Blind Agency Outcomes by Disability Type for Individuals Age 25 and Older at Closure - FFYs 2015-2017

Row	Disability Type	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
1	Visual - Individuals served	618	99.0	479	99.2	621	99.4
2	Visual - Employment rate		75.1		72.7		38.5
3	Auditory and Communicative - Individuals served	0	0	1	0.2	1	0.2
4	Auditory and Communicative - Employment rate		NA		0		100.0
5	Physical - Individuals served	2	0.3	3	0.6	1	0.2
6	Physical - Employment rate		0.0		66.7		100.0
7	Intellectual and Learning disability - Individuals served	0	0	0	0	1	0.2
8	Intellectual and Learning disability - Employment rate		NA		NA		100.0
9	Psychosocial and psychological- Individuals served	4	0.6	0	0	1	0.2
10	Psychosocial and psychological- Employment rate		50.0		NA		0.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 5a. North Carolina Blind Agency Number of Days from Application to Eligibility Determination for All Individuals at Closure - FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017* Number	2017* Percent
0 – 60 days	710	90.4	534	91.3	651	92.9
More than 60 days	75	9.6	51	8.7	50	7.1
Total eligible	785	100.0	585	100.0	701	100.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 5b. North Carolina Blind Agency Number of Days from Application to Eligibility Determination for Individuals below Age 25 at Closure - FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
0 – 60 days	41	82.0	33	97.1	30	90.9
More than 60 days	9	18.0	1	2.9	3	9.1
Total eligible	50	100.0	34	100.0	33	100.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 5c. North Carolina Blind Agency Number of Days from Application to Eligibility Determination for Individuals Age 25 and Older at Closure - FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
0 – 60 days	669	91.0	501	90.9	621	93.0
More than 60 days	66	9.0	50	9.1	47	7.0
Total eligible	735	100.0	551	100.0	668	100.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 6a. North Carolina Blind Agency Number of Days from Eligibility* Determination to IPE for All Individuals Served at Closure- FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
0 – 90 days	111	97.4	216	97.3	201	97.1
More than 90 days	3	2.6	6	2.7	6	2.9
Total served	114	100.0	222	100.0	207	100.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*Eligibility occurred on or after July 22, 2014

Table 6b. North Carolina Blind Agency Number of Days from Eligibility* Determination to IPE for Individuals Served below Age 25 at Closure- FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
0 – 90 days	3	100.0	4	100.0	4	100.0
More than 90 days	0	0	0	0	0	0
Total served	3	100.0	4	100.0	4	100.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*Eligibility occurred on or after July 22, 2014

Table 6c. North Carolina Blind Agency Number of Days from Eligibility* Determination to IPE for Individuals Served Age 25 and Older at Closure- FFYs 2015-2017

Number of Days	2015 Number	2015 Percent	2016 Number	2016 Percent	2017 Number	2017 Percent
0 – 90 days	108	97.3	212	97.2	197	97.0
More than 90 days	3	2.7	6	2.8	6	3.0
Total served	111	100.0	218	100.0	203	100.0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*Eligibility occurred on or after July 22, 2014

**Table 7a. North Carolina Blind Agency VR Services Provided for All Individuals Served*
at Closure – FFYs 2015-2017**

Row	Services Provided**	2015 Percent	2016 Percent	2017 Percent
1	Training - Graduate degree training	0.5	0.8	1.4
2	Training - Bachelor degree training	1.8	3.9	3.8
3	Training - Junior or community college training	2.1	2.8	3.2
4	Training - Occupational or vocational training	1.7	1.4	2.0
5	Training - On-the-job training	2.0	3.5	4.4
6	Training - Apprenticeship training	0.0	0.0	0.0
7	Training - Basic academic remedial or literacy training	0.2	1.2	1.4
8	Training - Job readiness training	1.8	4.9	4.8
9	Training - Disability-related skills training	6.9	11.2	12.6
10	Training - Miscellaneous training	7.2	9.4	11.2
11	Career – Assessment	100.0	100.0	99.8
12	Career - Diagnosis and treatment of impairment	80.3	78.8	75.3
13	Career - Vocational rehab counseling and guidance	56.5	64.6	50.0
14	Career - Job search assistance	6.3	7.7	4.0
15	Career - Job placement assistance	24.7	32.4	30.2
16	Career - On-the-job supports-short term	0.3	0.4	0.0
17	Career - On-the-job supports-SE	1.5	2.4	2.0
18	Career - Information and referral services	0.0	1.4	0.2
19	Career - Benefits counseling	0.6	0.4	0.0
20	Career - Customized employment services	0.2	0.0	0.2
21	Other services – Transportation	17.9	22.6	22.1
22	Other services - Maintenance	11.6	14.3	16.6
23	Other services - Rehabilitation technology	31.6	40.5	36.7

Row	Services Provided**	2015 Percent	2016 Percent	2017 Percent
24	Other services - Reader services	0.6	0.8	0.5
25	Other services - Interpreter services	0.6	0.8	0.6
26	Other services - Personal attendant services	0.0	0.2	0.2
27	Other services - Technical assistance services	0.0	1.4	1.8
28	Other services - Other services	10.4	8.6	10.3

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*For individuals who were determined eligible, placed on an IPE, and received a service under the IPE.

**VR Services include both those provided and purchased by the VR agency as well as those provided by comparable service providers

**Table 7b. North Carolina Blind Agency VR Services Provided for Individuals Served*
below Age 25 at Closure- FFYs 2015-2017**

Row	Services Provided**	2015 Percent	2016 Percent	2017 Percent
1	Training - Graduate degree training	2.5	3.8	0.0
2	Training - Bachelor degree training	12.5	38.5	29.6
3	Training - Junior or community college training	7.5	11.5	22.2
4	Training - Occupational or vocational training	2.5	11.5	7.4
5	Training - On-the-job training	5.0	11.5	11.1
6	Training - Apprenticeship training	0.0	0.0	0.0
7	Training - Basic academic remedial or literacy training	0.0	3.8	0.0
8	Training - Job readiness training	12.5	15.4	11.1
9	Training - Disability-related skills training	17.5	23.1	18.5
10	Training - Miscellaneous training	30.0	53.8	44.4
11	Career - Assessment	100.0	100.0	100.0
12	Career - Diagnosis and treatment of impairment	45.0	38.5	40.7
13	Career - Vocational rehab counseling and guidance	62.5	73.1	63.0
14	Career - Job search assistance	2.5	23.1	3.7
15	Career - Job placement assistance	32.5	26.9	37.0
16	Career - On-the-job supports-short term	0.0	0.0	0.0
17	Career - On-the-job supports-SE	5.0	3.8	3.7
18	Career - Information and referral services	0.0	3.8	0.0
19	Career - Benefits counseling	0.0	3.8	0.0
20	Career - Customized employment services	0.0	0.0	0.0
21	Other services - Transportation	47.5	30.8	33.3
22	Other services - Maintenance	32.5	30.8	40.7
23	Other services - Rehabilitation technology	65.0	69.2	63.0

Row	Services Provided**	2015 Percent	2016 Percent	2017 Percent
24	Other services - Reader services	0.0	3.8	0.0
25	Other services - Interpreter services	0.0	3.8	3.7
26	Other services - Personal attendant services	0.0	3.8	0.0
27	Other services - Technical assistance services	0.0	3.8	0.0
28	Other services - Other services	30.0	11.5	14.8

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*For individuals who were determined eligible, placed on an IPE, and received a service under the IPE.

** VR Services include those provided and purchased by the VR agency.

Table 7c. North Carolina Blind Agency VR Services Provided for Individuals Served* Age 25 and Older at Closure - FFYs 2015-2017

Row	Services Provided**	2015 Percent	2016 Percent	2017 Percent
1	Training - Graduate degree training	0.3	0.6	1.4
2	Training - Bachelor degree training	1.1	2.1	2.7
3	Training - Junior or community college training	1.8	2.3	2.4
4	Training - Occupational or vocational training	1.6	0.8	1.8
5	Training - On-the-job training	1.8	3.1	4.2
6	Training - Apprenticeship training	0.0	0.0	0.0
7	Training - Basic academic remedial or literacy training	0.2	1.0	1.4
8	Training - Job readiness training	1.1	4.3	4.5
9	Training - Disability-related skills training	6.3	10.6	12.3
10	Training - Miscellaneous training	5.8	7.0	9.8
11	Career - Assessment	100.0	100.0	99.8
12	Career - Diagnosis and treatment of impairment	82.5	81.0	76.8
13	Career - Vocational rehab counseling and guidance	56.1	64.2	49.4
14	Career - Job search assistance	6.6	6.8	4.0
15	Career - Job placement assistance	24.2	32.7	29.9
16	Career - On-the-job supports-short term	0.3	0.4	0.0
17	Career - On-the-job supports-SE	1.3	2.3	1.9
18	Career - Information and referral services	0.0	1.2	0.2
19	Career - Benefits counseling	0.6	0.2	0.0
20	Career - Customized employment services	0.2	0.0	0.2
21	Other services - Transportation	16.0	22.2	21.6
22	Other services - Maintenance	10.3	13.5	15.5
23	Other services - Rehabilitation technology	29.5	38.9	35.5

Row	Services Provided**	2015 Percent	2016 Percent	2017 Percent
24	Other services - Reader services	0.6	0.6	0.5
25	Other services - Interpreter services	0.6	0.6	0.5
26	Other services - Personal attendant services	0.0	0.0	0.2
27	Other services - Technical assistance services	0.0	1.2	1.9
28	Other services - Other services	9.1	8.5	10.1

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*For individuals who were determined eligible, placed on an IPE, and received a service under the IPE.

** VR Services include those provided and purchased by the VR agency.

Table 8a. North Carolina Blind Agency Standard Occupational Classification (SOC) Codes Percentages of Employment Outcomes and Median Hourly Earnings for All Individuals Who Achieved Competitive Employment Outcomes at Closure - FFYs 2015-2017

Row	SOC for Competitive Integrated Employment Outcomes	2015 Percent	2015 Median Hourly Wage	2016 Percent	2016 Median Hourly Wage	2017 Percent	2017 Median Hourly Wage
1	Architecture and Engineering Occupations	0.6	\$12.73	0.5	\$32.11	0.4	\$52.88
2	Arts, Design, Entertainment, Sports, and Media	2.4	\$9.23	3	\$15.00	1.2	\$7.67
3	Building and Grounds Cleaning and Maintenance	8.1	\$9.14	7.9	\$9.52	7.9	\$10.00
4	Business and Financial Operations Occupations	1.0	\$13.80	1.4	\$20.75	1.2	\$23.98
5	Community and Social Services Occupations	1.6	\$12.33	3.3	\$12.61	2.8	\$15.88
6	Computer and Mathematical Occupations	0.6	\$17.00	1.1	\$20.21	1.6	\$17.13
7	Constructive and Extraction Occupations	5.9	\$12.00	5.2	\$12.00	3.2	\$10.44
8	Education, Training, and Library Occupations	3.1	\$15.00	5.4	\$12.08	6.7	\$15.00
9	Farming, Fishing, and Forestry Occupations	0.6	\$10.27	0.5	\$11.48	2.0	\$11.30
10	Food Preparation and Serving Related Occupations	10.6	\$8.38	10.3	\$8.43	10.7	\$8.67
11	Healthcare Practitioners and Technical Occupations	2.6	\$14.30	2.4	\$12.60	2.8	\$13.13
12	Healthcare Support Occupations	6.3	\$9.00	3.5	\$10.00	6.7	\$9.60
13	Installation, Maintenance, and Repair Occupations	4.3	\$10.00	4.9	\$10.37	7.1	\$12.51
14	Legal Occupations	0.4	\$26.70	0.5	\$10.02	2.0	\$16.00
15	Life, Physical, and Social Science Occupations	0.2	\$8.00	0	NA	0	NA
16	Management Occupations	4.7	\$9.38	4.1	\$11.86	5.1	\$17.00
17	Military Specific Occupations	0.2	\$12.14	0	NA	0	NA
18	Office and Administrative Support Occupations	14.1 60	\$9.50	15.5	\$10.00	13.4	\$11.38

Row	SOC for Competitive Integrated Employment Outcomes	2015 Percent	2015 Median Hourly Wage	2016 Percent	2016 Median Hourly Wage	2017 Percent	2017 Median Hourly Wage
19	Personal Care and Service Occupations	4.7	\$9.20	4.9	\$9.21	4.3	\$8.33
20	Production Occupations	10.4	\$8.75	9.8	\$9.42	5.5	\$9.50
21	Protective Service Occupations	0.2	\$13.00	1.1	\$8.50	0.4	\$10.00
22	Randolph-Sheppard vending facility clerk*	0	NA	0	NA	0	NA
23	Randolph-Sheppard vending facility operator*	0	NA	0	NA	0	NA
24	Sales and Related Occupations	8.1	\$8.64	7.6	\$8.94	9.5	\$9.72
25	Transportation and Material Moving Occupations	9.2	\$10.50	7.1	\$9.96	5.5	\$12.70
26	Total competitive employment outcomes		\$9.50		\$10.00		\$10.40

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*RSA specific occupational classifications

Table 8b. North Carolina Blind Agency Standard Occupational Classification (SOC) Codes Percentages of Employment Outcomes and Median Hourly Earnings for Individuals below Age 25 Who Achieved Competitive Employment Outcomes at Closure - FFYs 2015-2017

Row	SOC for Competitive Integrated Employment Outcomes	2015 Percent	2015 Median Hourly Wage	2016 Percent	2016 Median Hourly Wage	2017 Percent	2017 Median Hourly Wage
1	Architecture and Engineering Occupations	0	NA	5.0	\$30.58	8.3	\$52.88
2	Arts, Design, Entertainment, Sports, and Media	3.2	\$11.20	20.0	\$13.65	0	NA
3	Building and Grounds Cleaning and Maintenance	0	NA	10.0	\$11.38	0	NA
4	Business and Financial Operations Occupations	0	NA	0	NA	0	NA
5	Community and Social Services Occupations	3.2	\$8.67	0	NA	0	NA
6	Computer and Mathematical Occupations	0	NA	0	NA	0	NA
7	Constructive and Extraction Occupations	0	NA	0	NA	0	NA
8	Education, Training, and Library Occupations	6.5	\$20.68	5.0	\$9.23	8.3	\$15.00
9	Farming, Fishing, and Forestry Occupations	3.2	\$10.00	0	NA	0	NA
10	Food Preparation and Serving Related Occupations	25.8	\$8.03	10.0	\$8.57	0	NA
11	Healthcare Practitioners and Technical Occupations	0	NA	10.0	\$11.55	0	NA
12	Healthcare Support Occupations	3.2	\$17.50	0	NA	33.3	\$9.94
13	Installation, Maintenance, and Repair Occupations	0	NA	5.0	\$8.25	0	NA
14	Legal Occupations	0	NA	0	NA	0	NA
15	Life, Physical, and Social Science Occupations	0	NA	0	NA	0	NA
16	Management Occupations	3.2	\$7.27	0	NA	8.3	\$9.23
17	Military Specific Occupations	0	NA	0	NA	0	NA
18	Office and Administrative Support Occupations	19.4 62	\$8.50	20.0	\$12.24	16.7	\$15.06

Row	SOC for Competitive Integrated Employment Outcomes	2015 Percent	2015 Median Hourly Wage	2016 Percent	2016 Median Hourly Wage	2017 Percent	2017 Median Hourly Wage
19	Personal Care and Service Occupations	3.2	\$11.50	5.0	\$18.50	8.3	\$9.00
20	Production Occupations	19.4	\$7.81	5.0	\$13.35	8.3	\$10.00
21	Protective Service Occupations	0	NA	0	NA	0	NA
22	Randolph-Sheppard vending facility clerk*	0	NA	0	NA	0	NA
23	Randolph-Sheppard vending facility operator*	0	NA	0	NA	0	NA
24	Sales and Related Occupations	3.2	\$7.50	5.0	\$8.00	0	NA
25	Transportation and Material Moving Occupations	6.5	\$11.70	0	NA	8.3	\$9.75
26	Total competitive employment outcomes		\$8.63		\$11.38		\$10.35

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*RSA specific occupational classifications

Table 8c. North Carolina Blind Agency Standard Occupational Classification (SOC) Codes Percentages of Employment Outcomes and Median Hourly Earnings for Individuals Age 25 and Older Who Achieved Competitive Employment Outcomes at Closure- FFYs 2015-2017

Row	SOC for Competitive Integrated Employment Outcomes	2015 Percent	2015 Median Hourly Wage	2016 Percent	2016 Median Hourly Wage	2017 Percent	2017 Median Hourly Wage
1	Architecture and Engineering Occupations	0.7	\$12.73	0.3	\$33.65	0	NA
2	Arts, Design, Entertainment, Sports, and Media	2.4	\$9.20	2.0	\$18.00	1.2	\$7.67
3	Building and Grounds Cleaning and Maintenance	8.7	\$9.14	7.8	\$9.11	8.3	\$10.00
4	Business and Financial Operations Occupations	1.1	\$13.80	1.4	\$20.75	1.2	\$23.98
5	Community and Social Services Occupations	1.5	\$13.00	3.4	\$12.61	2.9	\$15.88
6	Computer and Mathematical Occupations	0.7	\$17.00	1.1	\$20.21	1.7	\$17.13
7	Constructive and Extraction Occupations	6.3	\$12.00	5.5	\$12.00	3.3	\$10.44
8	Education, Training, and Library Occupations	2.8	\$15.00	5.5	\$12.70	6.6	\$14.71
9	Farming, Fishing, and Forestry Occupations	0.4	\$11.63	0.6	\$11.48	2.1	\$11.30
10	Food Preparation and Serving Related Occupations	9.6	\$8.77	10.3	\$8.33	11.2	\$8.67
11	Healthcare Practitioners and Technical Occupations	2.8	\$14.30	2.0	\$15.00	2.9	\$13.13
12	Healthcare Support Occupations	6.5	\$9.00	3.7	\$10.00	5.4	\$9.60
13	Installation, Maintenance, and Repair Occupations	4.6	\$10.00	4.9	\$11.37	7.5	\$12.51
14	Legal Occupations	0.4	\$26.70	0.6	\$10.02	2.1	\$16.00
15	Life, Physical, and Social Science Occupations	0.2	\$8.00	0	NA	0	NA
16	Management Occupations	4.8	\$9.49	4.3	\$11.86	5.0	\$17.50
17	Military Specific Occupations	0.2	\$12.14	0	NA	0	NA

Row	SOC for Competitive Integrated Employment Outcomes	2015 Percent	2015 Median Hourly Wage	2016 Percent	2016 Median Hourly Wage	2017 Percent	2017 Median Hourly Wage
18	Office and Administrative Support Occupations	13.7	\$9.81	15.2	\$10.00	13.3	\$11.25
19	Personal Care and Service Occupations	4.8	\$9.10	4.9	\$9.14	4.1	\$8.30
20	Production Occupations	9.8	\$9.20	10.1	\$9.40	5.4	\$9.00
21	Protective Service Occupations	0.2	\$13.00	1.1	\$8.50	0.4	\$10.00
22	Randolph-Sheppard vending facility clerk*	0	NA	0	NA	0	NA
23	Randolph-Sheppard vending facility operator*	0	NA	0	NA	0	NA
24	Sales and Related Occupations	8.5	\$8.68	7.8	\$9.00	10.0	\$9.72
25	Transportation and Material Moving Occupations	9.3	\$10.50	7.5	\$9.96	5.4	\$13.30
26	Total competitive employment outcomes		\$9.60		\$10.00		\$10.40

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*RSA specific occupational classifications

Table 9a. North Carolina Blind Agency Reason for Exit for All Individuals Who Did Not Achieve an Employment Outcome at Closure- FFYs 2015-2017

Row	Reason for Closure	2015 number	2015 Percent	2016 number	2016 Percent	2017* number	2017* Percent
1	Unable to locate or contact	133	29.4	85	25.9	118	21.3
2	Disability too significant to benefit from VR services - ineligible	4	0.9	13	4.0	9	1.6
3	No longer interested in receiving services or further services	1	0.2	0	0	0	0
4	Death	12	2.7	22	6.7	51	9.2
5	Transferred to another agency	6	1.3	3	0.9	4	0.7
6	No disabling condition – ineligible	40	8.8	24	7.3	29	5.2
7	No impediment to employment – ineligible	29	6.4	27	8.2	21	3.8
8	Transportation not feasible or available	3	0.7	0	0	1	0.2
9	Does not require VR services – ineligible	34	7.5	29	8.8	19	3.4
10	All other reasons	190	42.0	123	37.5	301	54.3
11	Extended employment	0	0	0	0	0	0
12	Individual in institution other than a prison or jail	0	0	0	0	0	0
13	Individual is incarcerated in a prison or jail	0	0	2	0.6	1	0.2

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 9b. North Carolina Blind Agency Reason for Exit for Individuals below Age 25 Who Did Not Achieve an Employment Outcome at Closure - FFYs 2015-2017

Row	Reason for Closure	2015 number	2015 Percent	2016 number	2016 Percent	2017* number	2017 Percent
1	Unable to locate or contact	10	31.3	6	20.7	4	14.8
2	Disability too significant to benefit from VR services - ineligible	0	0	3	10.3	1	3.7
3	No longer interested in receiving services or further services	0	0	0	0	0	0
4	Death	1	3.1	0	0	1	3.7
5	Transferred to another agency	1	3.1	2	6.9	0	0
6	No disabling condition - ineligible	1	3.1	2	6.9	3	11.1
7	No impediment to employment - ineligible	2	6.3	3	10.3	0	0
8	Transportation not feasible or available	0	0	0	0	1	3.7
9	Does not require VR services - ineligible	3	9.4	2	6.9	0	0
10	All other reasons	14	43.8	11	37.9	17	63.0
11	Extended employment	0	0	0	0	0	0
12	Individual in institution other than a prison or jail	0	0	0	0	0	0
13	Individual is incarcerated in a prison or jail	0	0	0	0	0	0

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Table 9c. North Carolina Blind Agency Reason for Exit for Individuals Age 25 and Older Who Did Not Achieve an Employment Outcome at Closure - FFYs 2015-2017

Row	Reason for Closure	2015 number	2015 Percent	2016 number	2016 Percent	2017* number	2017 Percent
1	Unable to locate or contact	123	29.3	79	26.4	114	21.6
2	Disability too significant to benefit from VR services - ineligible	4	1.0	10	3.3	8	1.5
3	No longer interested in receiving services or further services	1	0.2	0	0	0	0
4	Death	11	2.6	22	7.4	50	9.5
5	Transferred to another agency	5	1.2	1	0.3	4	0.8
6	No disabling condition - ineligible	39	9.3	22	7.4	26	4.9
7	No impediment to employment - ineligible	27	6.4	24	8.0	21	4.0
8	Transportation not feasible or available	3	0.7	0	0	0	0
9	Does not require VR services - ineligible	31	7.4	27	9.0	19	3.6
10	All other reasons	176	41.9	112	37.5	284	53.9
11	Extended employment	0	0	0	0	0	0
12	Individual in institution other than a prison or jail	0	0	0	0	0	0
13	Individual is incarcerated in a prison or jail	0	0	2	0.7	1	0.2

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

Fiscal Data Tables for Focus Area VI

Table 6.1 North Carolina-Blind (NC-B) VR Resources and Expenditures—FFYs 2015–2017*

VR Resources and Expenditures	2015	2016	2017*
Total program expenditures	\$14,462,412	\$13,851,262	\$15,779,340
Federal expenditures	\$12,024,476	\$10,184,502	\$11,799,364
State agency expenditures (4 th quarter)	\$2,477,124	\$3,701,587	\$3,979,976
State agency expenditures (latest/final)	\$2,437,936	\$3,666,760	\$3,979,976
Federal formula award amount	\$14,888,764	\$15,390,012	\$15,431,404
MOE penalty from prior year	\$0	\$790,802	\$0
Federal award amount relinquished during reallotment	\$0	\$0	\$0
Federal award amount received during reallotment	\$0	\$0	\$0
Federal funds transferred from State VR agency	\$2,000,000	\$0	\$0
Federal funds transferred to State VR agency	\$0	\$0	\$0
Federal award amount (net)	\$12,888,764	\$14,599,210	\$15,431,404
Federal award funds deobligated	\$864,288	\$0	\$0
Federal award funds used	\$12,024,476	\$14,599,210	\$15,431,404
Percent of formula award amount used	80.76%	94.86%	100.00%
Federal award funds matched but not used	-\$3,016,703	-\$1,051,134	-\$726,047

* Indicates the award is currently in an open status. Therefore, data is either not currently available or not final.

Table 6.1 North Carolina-Blind - VR Resources and Expenditures—Descriptions, Sources and Formulas

VR Resources and Expenditures	Source/Formula
Total program expenditures	The sum of the Federal and non-Federal expenditures. Source/Formula: Table 6.1: Federal expenditures plus State expenditures (latest/final)
Federal expenditures	The cumulative amount of disbursements from Federal funds. Source/Formula: SF-425 line 10e from latest/final report
State expenditures (4 th quarter)	The cumulative amount of disbursements and unliquidated obligations from State funds through September 30 th of the award period. Source/Formula: SF-425 line 10j from 4 th quarter report
State expenditures (latest/final)	The cumulative amount of disbursements and unliquidated obligations from State funds as reported on the agency's latest or final SF-425 report. Final reports do not include unliquidated obligations. Source/Formula: SF-425 line 10j from latest/final report
Federal formula award amount	The amount of the Federal funds available to the agency based on the formula mandated in the Rehabilitation Act. Formula/Source: Federal formula award calculation
MOE penalty from prior year	The amount of the Maintenance of Effort (MOE) deficit from the previous FFY which resulted in a MOE penalty against the current FFY. Source/Formula: Table 6.2: MOE difference from prior year
Federal award amount relinquished during reallotment	Amount of Federal award voluntarily relinquished through the reallotment process. Formula/Source: RSA-692
Federal award received during reallotment	Amount of funds received through the reallotment process. Source/Formula: RSA-692

VR Resources and Expenditures	Source/Formula
Federal funds transferred from State VR agency	Amount of award funds transferred from State VR agencies (Blind to General or General to Blind). Formula/Source: Agency transfer request documentation
Federal funds transferred to State VR agency	Amount of award funds transferred to State VR agencies (Blind to General or General to Blind). Formula/Source: Agency transfer request documentation
Federal award amount (net)	Federal award amount available after accounting for adjustments to award (e.g., MOE penalties, relinquishment, reallocation and transfers). Formula/Source: Federal formula award calculation, RSA-692, agency documentation, SF-425 : Federal formula calculation minus MOE penalty minus funds relinquished in reallocation plus funds received in reallocation plus funds transferred from agency minus funds transferred to agency
Federal award funds deobligated	Federal award funds deobligated at the request of the agency or as part of the award closeout process. These funds may include matched or unmatched Federal funds. Source/Formula: Agency deobligation request documentation, G5 closeout reports
Federal award funds used	Amount of Federal award funds expended. Source/Formula: Federal formula calculation, RSA-692, agency documentation, SF-425 lesser of the 4 th quarter or latest/final: Federal award amount (net) (calculation above) minus Federal award funds deobligated
Percent Federal formula award used	Percent of Federal formula award funds used. Source/Formula: Federal award funds used (calculation above) divided by Federal formula award amount
Federal award funds matched but not used	This represents unused Federal award funds for which the agency provided match.

VR Resources and Expenditures	Source/Formula
	Source/Formula: Table 6.2 Federal award funds matched (actual) minus Table 6.1 Federal award funds used

**Table 6.2 North Carolina-Blind (NC-B) Non-Federal Share and Maintenance of Effort—
FFYs 2015–2017***

Non-Federal Share (Match) and Maintenance of Effort (MOE)	2015	2016	2017*
Match required per net award amount	\$3,254,401	\$4,165,276	\$4,176,479
Match provided (actual)	\$2,437,936	\$3,666,760	\$3,979,976
Match difference**	\$816,465	\$498,516	\$196,503
Federal funds matched (actual)	\$9,007,773	\$13,548,076	\$14,705,357
Percent Federal funds matched	69.89%	92.80%	95.30%
Match from State appropriation			
Percent match from State appropriation	0.00%	0.00%	0.00%
Match from Third-Party Cooperative Arrangements (TPCA)			
Percent match from TPCAs	0.00%	0.00%	0.00%
Match from Randolph-Sheppard program			
Percent match from Randolph-Sheppard Program	0.00%	0.00%	0.00%
Match from interagency transfers			
Percent match from interagency transfers	0.00%	0.00%	0.00%
Match from other sources			
Percent match from other sources	0.00%	0.00%	0.00%
MOE required	\$3,228,738	\$3,153,727	\$2,437,936
MOE: Establishment/construction expenditures	\$0	\$0	\$0
MOE actual	\$2,437,936	\$3,666,760	\$3,979,976

Non-Federal Share (Match) and Maintenance of Effort (MOE)	2015	2016	2017*
MOE difference**	\$790,802	-\$513,033	-\$1,542,040

* Indicates the award is currently in an open status. Therefore, data is either not currently available or not final.

** A positive amount indicates a deficit. A negative amount indicates a surplus.

**Table 6.2 North Carolina-Blind - Non-Federal Share and Maintenance of Effort—
Descriptions, Sources and Formulas**

Non-Federal Share (Match) and Maintenance of Effort (MOE)	Source/Formula
Match required per net award amount	Non-Federal funds required based upon the net amount of the Federal award. Source/Formula: (Table 6.1 Federal award amount net divided by 0.787) multiplied by 0.213
Match provided (actual)	Amount of match (non-Federal share) provided, by the agency. Source/Formula: SF-425 line 10j lesser of the 4 th quarter or latest/final
Match difference**	The difference between match required to access the net Federal award funds and the actual amount of match provided by agency. Source/Formula: SF-425 lesser of the 4 th quarter or latest/final: ((Federal formula award amount divided by 0.787) multiplied by 0.213) minus SF-425 line 10j
Federal funds matched (actual)	Total amount of Federal funds the agency was able to match based upon the non-Federal share reported. The maximum amount of Federal funds the agency can access is limited to the Federal grant award amount. Source/Formula: (Match provided actual divided by .213) multiplied by .787
Percent of Federal funds matched	Percent of Federal funds matched. Source/Formula: Federal funds matched divided by Federal award amount net
Match from State appropriation	Match amount from State appropriation. Source/Formula: Data provided by State

Non-Federal Share (Match) and Maintenance of Effort (MOE)	Source/Formula
Percent match from State appropriation	<p>Match amount from State appropriation expressed as a percentage of total match provided.</p> <p>Source/Formula: Match from State appropriation divided by SF-425 line 10j</p>
Match from TPCAs	<p>Match amount from Third-Party Cooperative Arrangements (TPCAs).</p> <p>Source/Formula: Data provided by State</p>
Percent match from TPCAs	<p>Match amount from Third-Party Cooperative Arrangements (TPCAs) expressed as a percentage of total match provided.</p> <p>Source/Formula: Match from TPCAs divided by SF-425 line 10j</p>
Match from Randolph-Sheppard program	<p>Match amount from Randolph-Sheppard program.</p> <p>Source/Formula: Data provided by State</p>
Percent match from Randolph-Sheppard Program	<p>Match amount from Randolph-Sheppard program expressed as a percentage of total match provided.</p> <p>Source/Formula: Match from Randolph-Sheppard Program divided by SF-425 line 10j</p>
Match from interagency transfers	<p>Match amount from interagency transfers.</p> <p>Source/Formula: Data provided by State</p>
Percent match from interagency transfers	<p>Match amount from interagency transfers expressed as a percentage of total match provided.</p> <p>Source/Formula: Match from interagency transfers divided by SF-425 line 10j</p>
Match from other sources	<p>Match amount from all sources of match not previously listed.</p> <p>Source/Formula: Data provided by State</p>

Non-Federal Share (Match) and Maintenance of Effort (MOE)	Source/Formula
Percent match from other sources	<p>Match amount from all other sources expressed as a percentage of total match provided.</p> <p>Source/Formula: Match from other sources divided by SF-425 line 10j</p>
Maintenance of Effort (MOE) required	<p>Maintenance of effort (MOE) is the level of non-Federal expenditures, minus establishment/construction expenditures for CRPs, established by the State's non-Federal expenditures two years prior, i.e. Recipient Share of Expenditures.</p> <p>Source/Formula: (For FFY two year prior) SF-425 4th quarter or latest/final report: line 10j minus line 12a. If non-Federal share is added in the prior carryover year, the additional amount is added to the MOE required. If an agency increases their Establishment/Construction expenditures in the prior carryover year, the increase is deducted from the FFY's total non-Federal share for MOE purposes.</p>
MOE: Establishment / construction expenditures	<p>Non-Federal share of expenditures for construction of facilities for community rehabilitation program (CRP) purposes and the establishment of facilities for community rehabilitation purposes.</p> <p>Source/Formula: SF-425 latest/final report: line 12a</p>

Non-Federal Share (Match) and Maintenance of Effort (MOE)	Source/Formula
MOE actual	<p>Non-Federal share provided by agency minus establishment/construction expenditures for CRPs.</p> <p>Source/Formula: SF-425: Match provided actual minus establishment/construction expenditures. NOTE: If non-Federal share is added in the prior carryover year, the additional amount is added to the MOE actual. If an agency increases their Establishment/Construction expenditures in the prior carryover year, the increase is deducted from the FFY's total non-Federal share for MOE purposes.</p>
MOE difference**	<p>The difference between MOE required and the actual MOE provided.</p> <p>Source/Formula: MOE required minus MOE actual</p>

** A positive amount indicates a deficit. A negative amount indicates a surplus.

Table 6.3 North Carolina-Blind (NC-B) Program Income and Carryover—FFYs 2015–2017*

Program Income and Carryover	2015	2016	2017*
Program income received	\$220,673	\$0	\$0
Program income disbursed	\$220,673	\$0	\$0
Program income transferred	\$0	\$0	\$0
Program income used for VR program	\$220,673	\$0	\$0
Federal grant amount matched	\$9,007,773	\$13,548,076	\$14,705,357
Federal expenditures 9/30	\$9,137,250	\$10,308,020	\$11,799,364
Federal unliquidated obligations 9/30	\$5,751,514	\$470,568	\$292,116
Carryover amount	\$0	\$4,611,424	\$3,339,924
Carryover as percent of award	0.00%	31.59%	21.64%

* Indicates the award is currently in an open status. Therefore, data is either not currently available or not final.

Table 6.3 North Carolina-Blind - Program Income and Carryover—Descriptions, Sources and Formulas

Program Income and Carryover	Source/Formula
Program income received	Total amount of Federal program income received by the grantee. Source/Formula: SF-425 latest/final line 10l
Program income disbursed	Amount of Federal program income disbursed, including transfers. Source/Formula: SF-425 latest/final: line 10m plus line 10n
Program income transferred	Amount of Federal program income transferred to other allowable programs. Source/Formula: SF-425 latest/final: line 12e plus line 12f plus line 12g plus line 12h
Program income used for VR program	Amount of Federal program income utilized for the VR program. Source/Formula: SF-425 latest/final: Program income expended minus program income transferred
Federal grant amount matched	Federal funds an agency is able to draw down based upon on reported non-Federal share not to exceed net award amount. Source/Formula: Table 6.2 Federal funds matched actual
Federal expenditures 9/30	Federal funds expended by 9/30 of the FFY of appropriation. This does not include unliquidated obligations. Source/Formula: SF-425 4 th quarter: line 10e
Federal unliquidated obligations 9/30	The unliquidated amount of Federal funds matched that the grantee did not liquidated by 9/30 of the FFY of appropriation Source/Formula: SF-425 4 th quarter: line 10f
Carryover amount	The unobligated amount of Federal funds matched that the grantee did not obligate by 9/30 of the FFY of appropriation. Carryover amounts do not include any unliquidated Federal obligations as of 9/30. Source/Formula: SF-425 4 th quarter: line 10h
Carryover as percent of award	Amount of carryover expressed as a percentage of total Federal funds available. Source/Formula: SF-425 latest/final: Carryover amount divided by Federal net award amount.

Table 6.4 North Carolina-Blind (NC-B) RSA-2 Expenditures—FFYs 2015–2017*

RSA-2 Expenditures	2015	2016	2017
Total expenditures	\$16,690,657	\$17,026,688	\$14,401,771
Administrative costs	\$2,096,160	\$1,725,276	\$1,725,244
Administration as Percent expenditures	12.56%	10.13%	11.98%
Purchased services expenditures	\$4,369,615	\$3,858,365	\$3,672,657
Purchased services as a Percent expenditures	26.18%	22.66%	25.50%
Services to groups	\$1,829,420	\$1,779,162	\$0
Services to groups percentage	10.96%	10.45%	0.00%

*Expenditures for RSA-2 data represent current FFY expenditures and carryover from prior FFY. Therefore, these figures may differ from the expenditures in Tables 6.1, 6.2, and 6.3 which are from SF-425 reports.

Table 6.4 North Carolina-Blind - RSA-2 Expenditures—Descriptions, Sources and Formulas*

RSA-2 Expenditures	Sources/Formula
Total expenditures	All expenditures from Federal, State and other rehabilitation funds (including VR, supported employment, program income, and carryover from previous FFY). This includes unliquidated obligations. Source: RSA-2: Schedule 1.4
Administrative costs	Total amount expended on administrative costs under the VR program. Source/Formula: RSA-2: Schedule 1.1
Administration as percent of expenditures	Administrative costs expressed as a percentage of all expenditures. Source/Formula: Administrative costs divided by total expenditures
Purchased services expenditures	Expenditures made for services purchased by the agency. Source/Formula: RSA-2: Schedule 1.2.B
Purchased services as a percent of expenditures	Purchased services expressed as a percentage of total expenditures. Source/Formula: Purchased services expenditures divided by total expenditures
Services to groups	Expenditures made by the agency for the provision of VR services for the benefit of groups of individuals with disabilities. Source/Formula: RSA-2: Schedule 1.3
Services to groups percentage	Services to groups expressed as a percentage of total expenditures. Source/Formula: Services to groups divided by total expenditures

*Expenditures for RSA-2 data represent current FFY expenditures and carryover from prior FFY. Therefore, these figures may differ from the expenditures in Tables 6.1, 6.2, and 6.3 which are from SF-425 report.

APPENDIX B: DATA VERIFICATION RESULTS

Data Element	Number with required documentation	Number without required documentation	Percent with required documentation	Percent without required documentation
Date of Application	30	0	100%	0
Date of Eligibility Determination	30	0	100%	0
Date of IPE	30	0	100%	0
Start Date of Employment in Primary Occupation at Exit or Closure	30	0	100%	0
Weekly Earnings at Exit or Closure	30	0	100%	0
Employment Status at Exit or Closure	30	0	100%	0
Type of Exit or Closure	30	0	100%	0
Date of Exit or Closure	30	0	100%	0

Summary	Number (of 30)	Percent (of 30)
Files with all required documentation	30	100%
Files with documentation for four or data elements examined	30	100%
Files with no required documentation	0	0

APPENDIX C: SUPPORTED EMPLOYMENT PROGRAM PROFILE

Supported Employment Program Profile

Summary Statistics – Supported Employment Outcomes						
Performance category	2015 Number	2015 Percent	2016 Number	2016 Percent	2017* Number	2017 Percent
Supported employment (SE) outcomes	4		5		5	
Competitive employment outcomes*	4	100.0%	5	100.0%	5	100.0%
Median hourly earnings for competitive employment outcomes	\$8.88		\$8.00		\$8.30	
Average hours worked for competitive employment outcomes	33.8		16.6		16.4	

Data source: RSA-911

Note: FFY 2017 data is not comparable with other FFY data. FFY 2017 shows Oct. – June data. FFY 15-16 show Oct. – Sept. data.

*Using RSA-911: Total number of individuals who exited with supported employment outcomes divided by total number of individuals who exited with an employment outcome multiplied by 100.

**Using RSA-911: Total number of individuals who exited with competitive supported employment divided by total number of individuals who exited with supported employment outcomes multiplied by 100.

Top Five Services Provided to Individuals in Competitive Supported Employment	
Services Provided	2017 Percent
Assessment	100.0
Job placement assistance	80.0
On-the-job supports-SE	80.0
Rehabilitation technology	80.0
Maintenance	60.0

Data source: RSA-911

Note: FFY 17 contains closed case data from October1, 2016 to June 30, 2017.

Top Five Occupations by Percentages of Employment Outcomes with Median Hourly Earnings for All Individuals Who Achieved Competitive Supported Employment Outcomes at Closure for FFY17		
SOC Code	2017 Percent	2017 Median Hourly Wage
Food Preparation and Serving Related Occupations	40.0	\$7.67
Office and Administrative Support Occupations	40.0	\$8.65
Sales and Related Occupations	20.0	\$12.75

Data source: RSA-911

Note: FFY 17 contains closed case data from October1, 2016 to June 30, 2017.